Oracle Fusion Cloud Human Resources

Implementing Payroll for the United States

FA Latest

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Implementing Payroll for the United States

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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*.

Join Our Community

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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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

Overview

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

Objectives

Use this guide to understand concepts and tasks you need to know before you begin implementing payroll:

- Application Tips
- Prerequisite Tasks
- Concepts
    - Legislation
    - Geographies and Addresses
    - Data Roles
    - Security Profiles
    - Data Loader
- Tools and Components
    - Fast Formulas
    - Calculations
    - Auditing
    - Data Validation
    - Reporting

For more in-depth information about related tasks, you can use the resources mentioned in the Other Documents section below.

Audience

This provides practical end-to-end guidance for Payroll implementation teams. When implementing, it's assumed that you have working knowledge of the basic principles of payroll and you're familiar with the customary payroll terminology. It's also assumed that you have consulted these guides:

- Using Functional Setup Manager guide to have a detailed understanding of the implementation tasks associated with the Functional Setup Manager (FSM), an integrated, end-to-end process to manage the application implementation and maintenance
- Understanding Enterprise Structures guide to have a detailed understanding of enterprise structures for payroll implementation

- Implementing Global Human Resources guide to complete the related prerequisite tasks required for payroll implementation

Before you start implementing Global Payroll, it's imperative that:

- You have the Payroll license
- You have completed the initial application setup
- You have completed implementing Global Human Resources and the HR 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's helpful if you run payroll processes after implementation.

Organization and Format

Step-by-step information to help you understand payroll concepts, setup tasks, and implementation task order necessary for you to implement global payroll. Specific information regarding the requisite tasks can be found in relevant sections of this document. At the end of each topic are links to related topics to help you find additional information.

Other Documents

For more information about generic and related tasks, refer to the guides at docs.oracle.com/cloud/latest/globalcs_gs/docs.htm. Here are a few for you to review:

- Administering Global Payroll
- Administering Global Payroll Flows
- Administering Fast Formula
- Administrating Global Payroll Interface
- Administrating Payroll Costing
- Implementing Absence Management
- Implementing Benefits
- Implementing Time and Labor
- Implementing Workforce Compensation
- Administering Analytics and Reports for HCM
- Securing HCM
- HCM Business Objects
- HCM Integrations and Data Loading

2 Let's Get Started

Implement Global Human Resources Cloud Payroll

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

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

Workforce Deployment Offering

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

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

Functional Area	Description
Legal Structures	Manage legal entities, legal reporting units, tax reporting units, payroll statutory units, legal authorities, legal registrations and jurisdictions, and additional statutory requirements. Statutory requirements include: • Registrations • Third-Party Interface info • HR reporting setup for EEO, VETS, ACA, and MWS • State unemployment insurance • Supplemental tax withholding rules • Self-adjustment methods
Organization Structures	Manage organization structures, business units, and organization models that best suit your business process. For further info, see HCM Organizations for the US in the Help Center.
Elements and Formulas	Configure elements and formulas to record earnings and deductions for processing payroll and reporting. For further info, see Earning and Deduction Definitions for the US in the Help Center.
Payroll	Define payroll objects required for payroll calculations and reporting. For further info, see Prerequisite Tasks for Payroll Setup for the US in the Help Center.

For further info, see Oracle Applications Cloud Using Functional Setup Manager in the Help Center.

Related Topics

- Earning and Deduction Definitions for the US
- HCM Organizations for the US
- Prerequisite Tasks for Payroll Setup for the US

Setup Tasks for Implementing Payroll for the United States

To implement the Oracle Fusion Global Payroll application, sign-in as a user with Application Implementation Consultant or Payroll Implementor role and opt into the offerings applicable to your business requirements.

Before you begin implementing Global Payroll for the US, you must complete:

- Initial application setup
- Implementation of Global Human Resources and the requisite HR setup tasks for implementing and processing payroll

  For more info, see Implementing Global Human Resources Guide in the Help Center.

Refer to the Functional Setup Manager Guide to manage the opt-in and setup of your offerings.

To implement Global Payroll for the US, use the Workforce Deployment and Customer Data Management offerings.

This table lists the setup tasks required to implement the Global Payroll application. 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 Global Payroll

Implementation tasks list	Task name	What you must do
Prerequisite Tasks for Payroll Setup		
Setup and Maintenance	Create an Implementation Project	Create an implementation project, and select the enabled Workforce Deployment offering. This generates the initial list of setup tasks required to implement the Global Payroll application.
Define Common Applications Configuration for Human Capital Management	Secure HCM	The tasks that people can do and the data that they can see depend on their roles, duties, and privileges.
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.

Implementation tasks list	Task name	What you must do
		For the US, Oracle provides the geographies.
Define Common Applications Configuration Define Features by Country or Territory	Features by Country or Territory	Select the United States country extension. This ensures that certain payroll-related features, such as element templates, work correctly in your implementation.
	Select Address Style and Address Validation	Check the address style and address validation for the US.
	Select the address validation method	Select your preferred address validation experience for the US.
Define Common Applications Configuration/ Define Enterprise Structures for HCM	Manage Legislative Data Groups	Define legislative data groups for the United States and any other country your enterprise operates in.
Define Common Applications Configuration/ Define Enterprise Structures for HCM/Define Legal Jurisdictions and Authorities for HCM	Manage Legal Addresses	Before you create legal entities, create legal addresses for all organizational units of your enterprise.
	Manage Legal Jurisdictions	Review the predefined jurisdictions for the US, and create any jurisdictions you require for specific local taxes.
	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 the US.
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.
	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 info 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 (LRUs), also known as tax reporting units (TRUs), to group employee records for tax and social reporting.

Implementation tasks list	Task name	What you must do
	Manage Legal Reporting Unit Registrations	Define registrations details of the LRU and register them with the appropriate government or legal authorities for the 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 the US. Legislative rules govern default values and how you manage employee records in your organization. Configure payroll relationship rules for the US, and map a person type to a payroll relationship type.
Payroll Setup Tasks		
Define Payroll Legislations	Configure Payroll Legislations	Create the payroll legislative data for the US. Set up elements, balances, and other payroll-related data for implementations.
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.
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 organization calculation cards for your TRUs. The payroll process uses the calculation rules defined on these 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 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.
	Calculation Value Definitions	Review the tables that hold the rates and values used to calculate earnings, deductions, and exemption amounts. Create calculation definitions as needed.

Implementation tasks list	Task name	What you must do
	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.
	Values Defined by Criteria	Create the criteria rules or evaluation conditions that determine a particular value or rate.
	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.
	Component Group Rules	Review the rules defined for earnings and deductions that belong to the same component group and create additional 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 additional definitions, including assigning dimensions and feeds.
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.
Define Payroll/Define Payment Methods	Organization Payment Methods	Review predefined organization payment methods and create methods and their payment sources.
Define Payroll/Define Pay Frequency	Consolidation Groups	Review the consolidation groups assigned to payroll definitions and create groups. They help you process the results from more than one payroll in a single action.
	Time Definitions	Review predefined time definitions and create or update static and dynamic intervals of time.
	Payroll Definitions	Create and update payroll definitions that specify the payment frequency, processing schedule, and other parameters.
Define Payroll/Define Fast Formulas	User-Defined Tables	Review the predefined table structures, and create and update user-defined table structures.

Implementation tasks list	Task name	What you must do
	Fast Formulas	Review predefined formulas, and create additional ones to validate or calculate data for payroll.
Define Payroll/Define Payroll Flow Patterns	Payroll Flow Patterns	Review the predefined payroll flow patterns, and create additional patterns to meet specific requirements.

Related Topics

- Securing HCM Guide
- Security Reference for HCM Guide

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

Section	Security Profile
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
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

Section	Security Profile
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

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.

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 might not have view access to that manager through a managed person security profile.

Predefined security profiles provide view-all access to secured objects. For example, the View All Positions security profile provides access to all positions in the enterprise.

Security Criteria in HCM Security Profiles

In a security profile, you specify the criteria that identify data instances of the relevant type. For example, in an organization security profile, you can identify organizations by organization hierarchy, classification, or name. All criteria in a security profile apply. For example, if you identify organizations by both organization hierarchy and classification, then only organizations that satisfy both criteria belong to the data instance set.

Access to Future-Dated Objects

By default, users can't access future-dated organization, position, or person objects.

Enable access to future-dated objects as follows:

- For organizations, select the **Include future organizations** option in the organization security profile
- For positions, select the **Include future positions** option in the position security profile
- For person records, select the **Include future people** option in the person security profile

Tip: The predefined View All Workers security profile doesn't provide access to future-dated person records. The predefined View All People security profile, which provides access to all person records, including those of contacts, does provide access to future-dated records.

Security Profile Creation

You can create security profiles either individually or while creating an HCM data role. For standard requirements, it's more efficient to create the security profiles individually and include them in appropriate HCM data roles.

To create security profiles individually, use the relevant security profile task. For example, to create a position security profile, use the **Manage Position Security Profile** task in the Setup and Maintenance or Workforce Structures work area.

Reuse of Security Profiles

Regardless of how you create them, all security profiles are reusable.

You can include security profiles in other security profiles. For example, you can include an organization security profile in a position security profile to secure positions by department or business unit. One security profile inherits the data instance set defined by another.

Related Topics

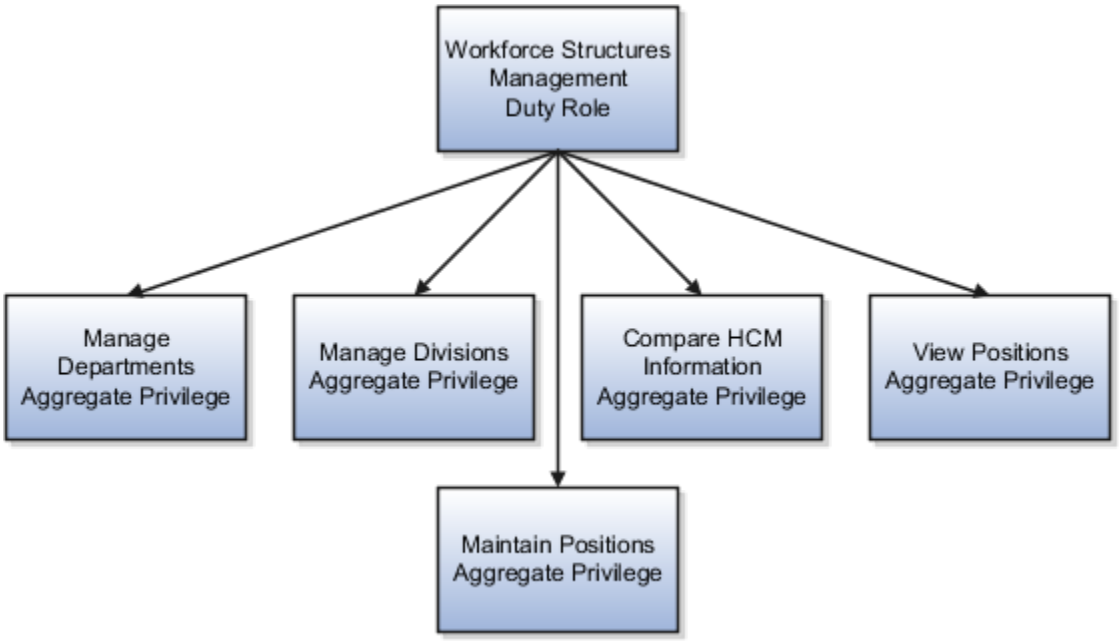
- Predefined HCM Security Profiles
- Best Practices for HCM Data Roles and Security Profiles

Duty Role Components

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

Function security privileges and data security policies are granted to duty roles. Duty roles may also inherit aggregate privileges and other duty roles.

For example, the Workforce Structures Management duty role has the structure shown in this figure.



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

Duty roles include:

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

Data Security Policies

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

Each data security policy combines:

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

Function Security Privileges

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

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

Predefined Duty Roles

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

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

User-Defined Security Roles and Duties

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

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

Granting Portrait Gallery Access

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

Related Topics

- Cloud HCM Security Role Mappings
- Role Types
- Role-Based Security

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.

Date Effectivity

Overview

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).

Setup Tasks

Generate the Setup Task List for HCM

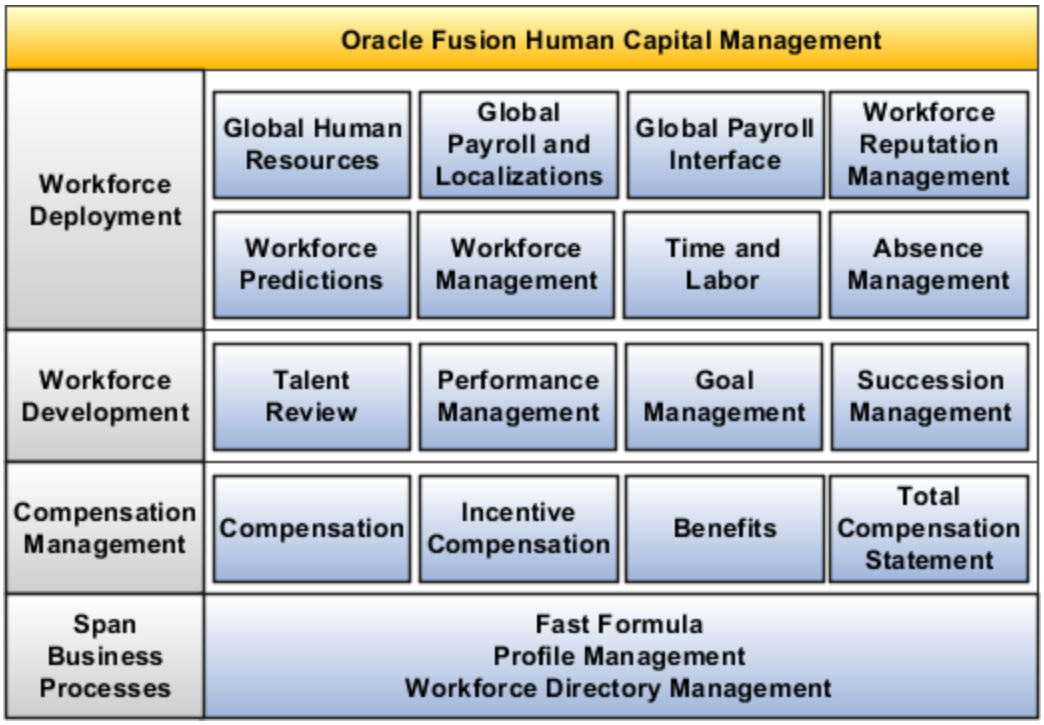
To start an implementation of Oracle HCM Cloud Service, you must have an application implementation consultant role. Select an offering to implement and generate the setup tasks.

The Service Administrator creates this user. Instructions for how to create this user are included in the post-provisioning notification.

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

Generate the Setup Task List

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



Here's how you can generate the setup tasks. The documentation in this list is in the Oracle Applications Cloud Using Functional Setup Manager guide.

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

      The **Welcome** page appears.

2. Go to the Setup and Maintenance work area.
    - Select **Setup and Maintenance** under the Tools category in the Navigator to go to the Setup and Maintenance work area.
3. Browse offerings on the Getting Started page.
    - On the Getting Started with Oracle Fusion Applications page, view all Oracle Fusion Applications offerings.
4. Analyze implementation requirements of the offerings.
    - Drill down on the Oracle HCM offering of your choice to view a description, documents, and reports related to the offering on the Documents page.
5. Configure the offerings.
    - On the Configure Offerings page, configure the offerings of your choice to fit your business requirements.

      Expand any offering to find its optional offerings, called Optional Functional Areas. Select all that apply to your organization.

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

      > **Note:** To use the Enterprise Structures Configurator, you must Select the Enterprise Structures Guided Flow feature on the Configure Offerings page. This feature is selected by default. Use the feature to set up enterprise structures.
6. Generate setup tasks.
    - Create a new implementation project on the Manage Implementation Projects page to generate setup tasks for a selected offering.
7. Review the generated setup task list.
    - The task list includes the tasks that are relevant to the offerings and optional functional areas that you selected. The most common requirements across all offerings are listed first. Next, the common tasks across product families are shown, and then the common tasks across product offerings. Tasks that are specific to product functionality are listed last.

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

Implementation Tasks

This table lists the task areas and their associated roles.

Task Area	Role	Work Area
Define Geographies for Human Capital Management	Application Implementation Consultant	Setup and Maintenance
Defining Enterprise Structures	Application Implementation Consultant	Setup and Maintenance

Task Area	Role	Work Area
Defining Features by Country or Territory	Application Implementation Consultant	Setup and Maintenance
Manage Currencies	Application Implementation Consultant	Setup and Maintenance
Defining Elements, Balances, and Formulas	Application Implementation Consultant	Setup and Maintenance
Managing Data Security	IT Security Manager	Setup and Maintenance
Define Payroll Business Definitions	Application Implementation Consultant	Setup and Maintenance
Define Pay Frequency	Application Implementation Consultant	Setup and Maintenance
Define Earnings and Deductions Definitions	Application Implementation Consultant	Setup and Maintenance
Define Events	Application Implementation Consultant	Setup and Maintenance
Define Payment Methods	Application Implementation Consultant	Setup and Maintenance
Define Payroll Costing	Application Implementation Consultant	Setup and Maintenance
Define Object Groups	Application Implementation Consultant	Setup and Maintenance
Define Payroll Flow Patterns	Application Implementation Consultant	Setup and Maintenance

Responsive User Experience Setup

Profile Options for Redwood User Experience Setup for United States Payroll

Redwood is the user experience in Oracle HCM applications. Many pages and flows have been created in the Redwood toolset Visual Builder Studio (VBS) to improve the user experience by creating cohesiveness through the application.

Some Redwood pages are enabled by default. You will need to enable the respective profile options for other pages to get the Redwood user experience. In addition, you also need to enable the ORA_HCM_VBCS_PWA_ENABLED profile to enable the HCM Redwood pages. Evaluate your business requirements before enabling the Redwood experience.

This table lists the profile options to enable or disable the Redwood experience for the following pages in Global Payroll for the United States.

Page	Profile option code	Default value
Payslips	ORA_PAY_PAYSLIPS_REDWOOD_ENABLED	No
Payroll Relationships	ORA_PAYROLL_RELATIONSHIPS_REDWOOD_ENABLED	No
Year-End Documents	ORA_PAY_YEAR_END_DOCUMENTS_REDWOOD_ENABLED	No
Employee Self-Service Tax Withholding Card	ORA_HRX_US_TAXWITHHOLDING_VBCS_ENABLED	No

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

3 Understand Payroll Concepts

Enterprise Structures

Enterprise Structures

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

The organization structures you define are affected by your:

- Industry
- Business unit requirements for autonomy
- Business and accounting policies
- Business functions performed by business units, and optionally, centralized in shared service centers
- Locations of facilities

Every enterprise has three fundamental structures that describe its operations and provide a basis for reporting:

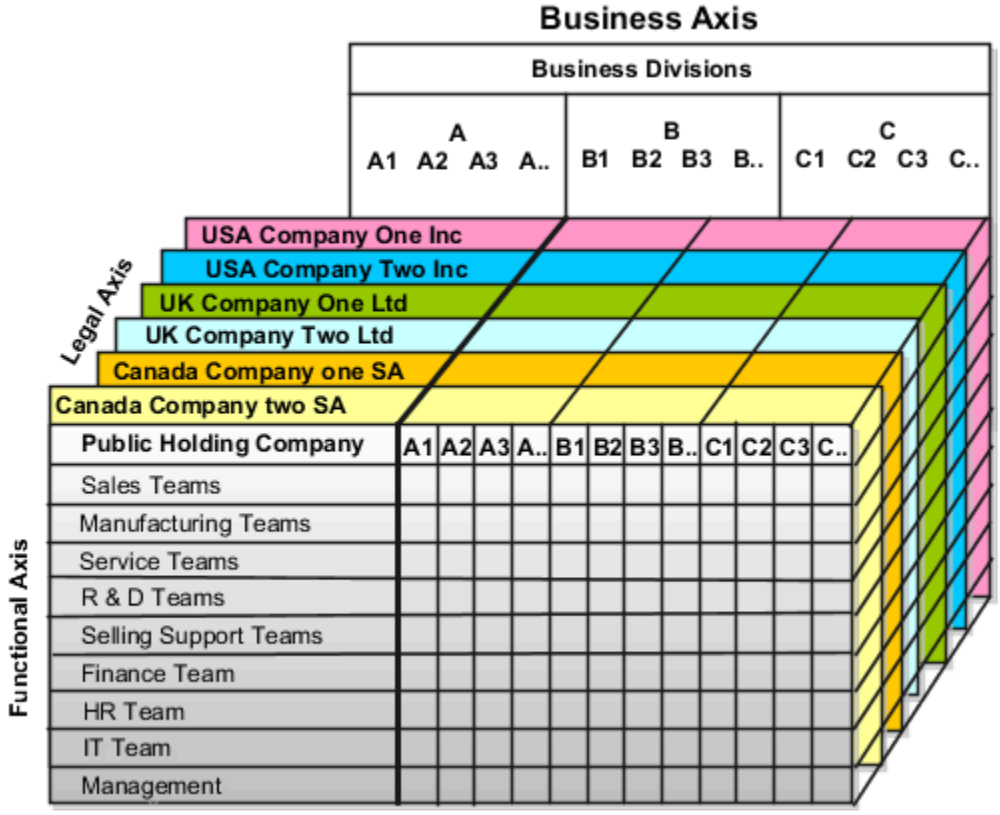
- Legal
- Managerial
- Functional

You implement these structures using the chart of accounts and organization hierarchies. There are many alternative hierarchies you can implement and use for reporting. You are likely to have one primary structure that organizes your business into:

- Divisions
- Business units
- Departments

Align these structures with your strategic objectives.

This figure illustrates a grid with Business Axis, representing the enterprise division, Legal Axis representing the companies, and the Functional Axis representing the business functions.



Legal Structure

The figure illustrates a typical group of legal entities, operating various business and functional organizations. Your ability to buy and sell, own, and employ comes from your charter in the legal system. A corporation is:

- A distinct legal entity from its owners and managers.
- Owned by its shareholders, who may be individuals or other corporations.

Many other kinds of legal entities exist, such as sole proprietorships, partnerships, and government agencies.

A legally recognized entity can own and trade assets and employ people in the jurisdiction in which the entity is registered. When granted these privileges, legal entities are also assigned responsibilities to:

- Account for themselves to the public through statutory and external reporting
- Comply with legislation and regulations
- Pay income and transaction taxes
- Process value added tax (VAT) collection on behalf of the taxing authority

Many large enterprises isolate risk and optimize taxes by incorporating subsidiaries. They create legal entities to facilitate legal compliance, segregate operations, optimize taxes, complete contractual relationships, and isolate risk. Enterprises use legal entities to establish their enterprise's identity within the laws of each country in which their enterprise operates.

In this figure you can see:

- How a separate card can represent a series of registered companies.
- How each company, including the public holding company, InFusion America, is registered in the countries where they do business.
- How each company contributes to various divisions created for purposes of management reporting. These are shown as vertical columns on each card.

For example, a group might have a separate company for each business in the United States, but have its Canada legal entity represent all businesses in Canada.

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

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

Management Structure

Successfully managing multiple businesses requires that you segregate them by their strategic objectives, and measure their results. Although related to your legal structure, the business organizational hierarchies 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 above, the management structure is shown on the Business Axis. In Oracle Fusion Applications, the management structure is implemented using divisions and business units as well as being reflected in the chart of accounts.

Functional Structure

Straddling the legal and business organizations is a functional organization structured around people and their competencies. For example, sales, manufacturing, and service teams are functional organizations. This functional structure is represented by the Functional Axis in the figure. You reflect the efforts and expenses of your functional organizations directly on the income statement. Organizations must manage and report revenues, cost of sales, and functional expenses such as research and development and selling, general, and administrative expenses. In Oracle Fusion Applications, the functional structure is implemented using departments and organizations, including sales, marketing, project, cost, and inventory organizations.

Enterprises

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

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

- A predefined enterprise
- An enterprise created by a system administrator

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

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

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

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

Related Topics

- Enterprise Structures for the US
- HCM Organizations for the US

HCM Organizations

The Common Organizations Model is the underlying architecture you use to define your business organizations. You can define multiple organizations in a single installation.

It provides a number of features common to organizations:

- You define all organizations within an enterprise.
- Use organizations to build hierarchies.
- Your organizations can have specific attributes based on organization classification.

  For example, business unit and department are organization classifications and have specific attributes.
- Organizations can have more than one classification.

  For example, classify an organization as a Department and Sales Organization to indicate that it employs sales people and is used within Oracle Fusion Human Resources Capital Management.

Here are some kinds of organization structures you can define:

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

Define these structures before you can create application users.

Note: Define legal entities in the Legal Entity Configurator. Legal entities that employ people are called legal employers and are copied into the organizations model for the purposes of integration with Financial and HCM applications.

The HCM Configuration Workbench is an interview-based tool to help you walk through the best implementation plan to represent your business. The interview tool poses questions about the name of your enterprise, the legal structure, the management reporting structure, and your primary organizing principle for your enterprise. The results of the interview helps the tool suggest the best methods to implement business units for your enterprise and ensure a successful deployment of the Oracle Fusion applications.

Related Topics

- Enterprise Structures for the US
- Enterprises for the US

Legislative Data Groups

Legislative Data Groups for the US

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

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

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

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

How do I set net pay thresholds for the US?

To avoid cutting low-value employee checks, you can set a threshold so that when the payroll process detects any amount below it, it automatically applies the value to an employee tax obligation in this order.

1. Federal income tax
2. Medicare

Values above the threshold are paid to the employee normally. You set this threshold for your legislative data group (LDG), so it applies to all your organizations.

To enable this threshold:

1. Start the Calculation Value Definitions task.
2. Select your US LDG.

3. Search for and select the **Employee net pay threshold** definition.
4. Enter an effective as-of date.

   If you don't, any changes you make are effective as of the current date.
5. In **Calculation Values**, click **Add Row**.
6. Enter from and to values of **0** and **999999999**.
7. Select the **Flat Amount** calculation type override.
8. In **Flat Amount**, enter the amount of the threshold.

   For example, to set a threshold of $5, enter **5**.

Legal Entities

Legal Entities for the US

A legal entity is an entity unequivocally identified and given rights and responsibilities under commercial law, through registration with the territory's appropriate authority.

A legal entity can legally:

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

The judicial system may enforce its rights and responsibilities.

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

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

  For example, your enterprise develops property and also leases properties. You could operate the property development business as a separate legal entity to limit risk to your leasing business.

There are no predefined legal entities. You must create all legal entities that apply to the enterprise you're setting up. Use the Legal Entity HCM Information task from your implementation project.

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

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

Roles of Legal Entities

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

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

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

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

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

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

For example, your publicly owned entities (corporations) are required to file quarterly and annual reports, as well as other periodic reports, with the Securities and Exchange Commission (SEC), which enforces statutory reporting requirements for public corporations. Individual entities privately held or held by public companies don't have to file separately.

Disclosure requirements are diverse. For example, your local entities may have to file locally to comply with local regulations in US dollars, as well as being included in your enterprise's reporting requirements in different currency.

A legal entity can represent all or part of your enterprise's management framework.

Types of Legal Entities

There are two types of legal entities.

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 how you're going to use it.

- If you're using the legal entity in an HCM context:
    a. Designate one legal employer as a PSU.
    b. Assign all other legal employers to that PSU for payroll processing and tax reporting.

  You must assign all workers to a legal employer.

- If you're using it in a payroll context, designate it as a PSU for payroll processing and tax reporting.

  Limit your organization to one PSU for employees and one for retirees. This helps you:

  - Control how the payroll process calculates limit taxes.
  - Control overtime calculations between multiple TRUs.

    For further info, see Oracle Cloud Human Capital Management for the United States: Overtime Rate Configuration Guide (1600746.1) on My Oracle Support.
  - Track deferred compensation contribution limits.

    For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
  - Issue pension payments to retirees.

    For further info, see Oracle Cloud Human Capital Management for the United States: Payroll and HR Implementation and Use for Retirees (2461709.1) on My Oracle Support.
- You can define a legal entity that's both a legal employer and a PSU.
- To group multiple legal employers together for tax reporting purposes, assign them to the same parent PSU.

There are no predefined legal entities. You must create all legal entities that apply to your enterprise.

Registrations

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

> **Note:** Capture the employer federal EIN, registered name, and state EIN details using the Legal Reporting Unit Registrations task.

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

US organizations use these identifiers.

Identifier	Task	Field name	Description	Used by
Legal entity identifier	Legal Reporting Unit Registrations	Legal Entity Registration Code	Associates a registration number with a legal entity.	New Hire Report Payroll processing Many other HR and Payroll reports
Federal EIN	Legal Entity HCM Information Legal Reporting Unit Registrations	Registration Number	Associates a federal EIN with a legal employer.	New Hire Report Payroll processing Tax Withholding card Many other HR and Payroll reports

Identifier	Task	Field name	Description	Used by
Legal reporting unit registration number	Legal Jurisdictions	Legal Reporting Unit Registration Code	Associates an EIN with a federal or local jurisdiction.	New Hire Report Payroll processing
Statutory registered name	Legal Reporting Unit Registrations	Registered Name	Identifies the employer registered statutory name.	HR and Payroll reports

Configuration for Retirees

If your organization includes retirees:

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

Additional Reporting Info

When defining a legal entity, use the Legal Entity HCM Information task from your implementation project. Provide additional info required for HR reporting.

For example, you can group legal employers to include their consolidated headcounts as a single entry on the EEO report.

Use this task to provide the required info for the following reports.

Report name	How you use it
EEO-1	Used for employee reporting. 1. Use the Legal Reporting Unit task to assign a default TRU to a legal employer 2. Use the Legal Reporting Unit HCM Information task to specify the establishment employer type as single or multiple 3. Use the Locations task to group locations for reporting purposes 4. Use the Legal Reporting Unit HCM Information task to define the headquarters, company name, and company number for the TRU 5. Use the Legal Reporting Unit HCM Information task to identify legal employers as either parents or children for grouping purposes 6. Use the Legal Reporting Unit HCM Information task to identify the reporting establishment as payroll or nonpayroll 7. Use the Legal Entity HCM Information task and while on the Edit Legal Entity page, click the Federal link, then choose the assignment categories to exclude from the EEO-1 report, if any For further info, see Equal Employment Opportunity Reporting in the Help Center.
VETS-4212	Used for veterans reporting. 1. Use the Legal Reporting Unit task to assign a default TRU to a legal employer 2. Use the Locations task to group locations for reporting purposes

Report name	How you use it
	3. Use the Legal Reporting Unit HCM Information task to identify the establishment employer type as single or multiple 4. Use the Legal Reporting Unit HCM Information task to define headquarters, company name, employment category, and company number 5. Use the Legal Reporting Unit HCM Information task to identify legal employers as either parents or children for grouping purposes For further info, see Veterans' Employment and Training Service Reporting in the Help Center.
New Hire reporting	• Use the Legal Reporting Unit task to assign a default TRU to a legal employer For further info, see Single and Multiple Employers for New Hire State Reporting in the Help Portal.

If the legal entity is also a PSU, specify:

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

  These settings apply to all LRUs attached to the PSU.

Related Topics

- Define Legal Entities for the US
- Options for Identifying Legal Reporting Units as Reporting Establishments
- Overview of Equal Employment Opportunity Reporting
- Single and Multiple Employers for New Hire State Reporting
- Veterans' Employment and Training Service Reporting

FAQ for Legal Entities

What's a legal employer?

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

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

Payroll Statutory Units

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

A payroll statutory unit can pay and report on payroll tax and social insurance on behalf of one or many legal entities, depending on the structure of your enterprise. For example, if you'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.

Legal Reporting Units

Legal Reporting Units for the US

A legal reporting unit (LRU) is the lowest level component of a legal structure that requires registrations.

Use LRUs to group your workers for tax reporting or to represent a part of your enterprise with a specific statutory or tax reporting obligation. To use an LRU for tax reporting purposes, you need to configure it as a tax reporting unit (TRU).

Use the Legal Reporting Units task in your implementation project to define and configure an LRU.

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

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

Defining an LRU involves using these tasks in your implementation project.

What you want to do	How you do it
Create the LRU	Use the Legal Reporting Units task to define and configure a legal reporting unit (LRU).
Define contacts for the LRU	Use the Legal Reporting Unit task to specify employer contact details at the LRU level.
Define the legal addresses	Use the Legal Addresses task.
Specify registrations for the LRU	Use the Legal Reporting Unit Registrations task.
Set up the calculation card for the LRU	Use the Legal Reporting Unit Calculation Cards task.

Related Topics

- How Payroll Statutory Units, Legal Employers, and Tax Reporting Units Work Together for the US
- Overview of Legal Reporting Unit Configuration for the US
- Plan Legal Reporting Units

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.

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

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

Legal Employers and Payroll Statutory Units

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

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

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

Payroll Statutory Units and Legal Reporting Units

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

Legal Reporting Units, Tax Reporting Units, and Reporting Establishments

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

TRUs:

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

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

TRUs capture your:

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

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

- Statutory registered name
- Form 1099-R distribution code

  If a PSU is paying into multiple distributions, you must define separate TRUs for each code.

  > **Note:** The payroll process doesn't use these codes to determine tax withholding. Instead, it uses the following hierarchy:
  >
  > a. Overrides set on the Retiree Tax Withholding for Pension and Annuity Payment card
  > b. Overrides set on the organization calculation card at the TRU level
  > c. Overrides set on the organization calculation card at the PSU level

A reporting establishment is an organization used for HR statutory reporting. Use the Reporting Establishments task in your implementation project to identify your TRUs as reporting establishments.

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

Tax Reporting Units and Legal Employers

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

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

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

Related Topics

- Configure Tax Reporting Units for the US
- HCM Organizations for the US
- Legal Entities for the US
- Options for Identifying Legal Reporting Units as Reporting Establishments

FAQ for Legal Reporting Units

What's a tax reporting unit?

Use a tax reporting unit to group workers for the purpose of tax and social insurance reporting. A tax reporting unit is the Oracle Fusion Human Capital Management (HCM) version of the legal reporting unit in Oracle Fusion Applications.

To create a tax reporting unit, you use the Oracle Fusion Legal Entity Configurator to define a legal entity as a payroll statutory unit. When you identify a legal entity as a payroll statutory unit, the application transfers the legal reporting units that are associated with that legal entity to Oracle Fusion HCM as tax reporting units. You can then access the tax reporting unit using the Manage Legal Reporting Unit HCM Information task.

If you identify a legal entity as a legal employer, and not as a payroll statutory unit, you must enter a parent payroll statutory unit. The resulting legal reporting units are transferred to Oracle Fusion HCM as tax reporting units, but as children of the parent payroll statutory unit that you entered, and not the legal entity that you identified as a legal employer.

Examples of Enterprise Structures

Examples of HCM Organization Models for Payroll

Use these examples to understand different models for human capital management (HCM) organizations that include a legislative data group (LDG). These examples include LDGs, which aren't an organization classification, to show how to partition payroll data by associating them with a payroll statutory unit.

Simple Configuration

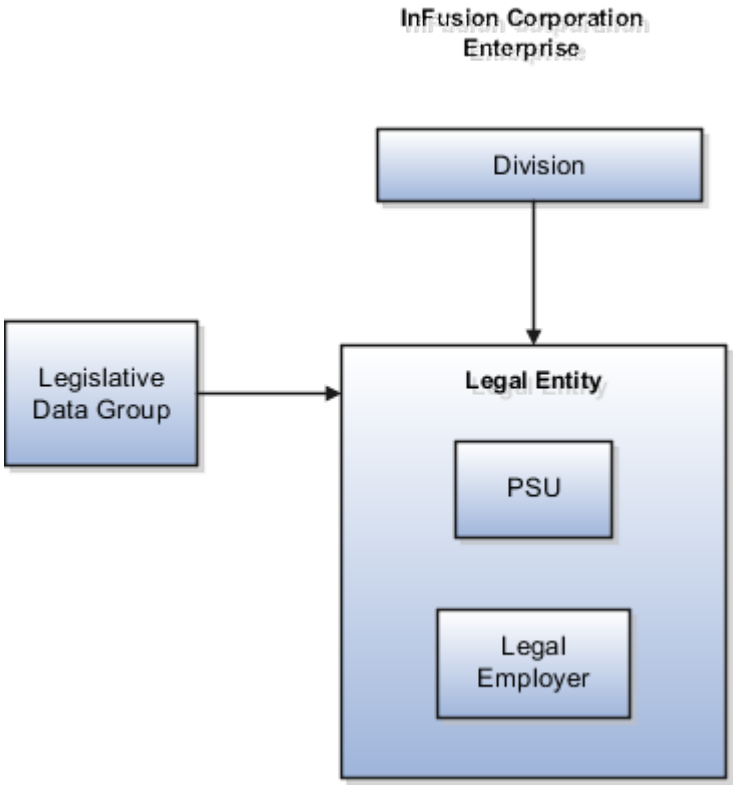
This example illustrates a simple configuration that doesn't include any tax reporting unit.

Note the following:

- The legal employer and payroll statutory units are the same, sharing the same boundaries.

- Reporting can only be done at a single level. Countries such as Saudi Arabia and the United Arab Emirates (UAE) might use this type of model, as these countries report at the legal entity level.

This figure illustrates a simple configuration where the enterprise has only one legal entity, which is both a payroll statutory unit and a legal employer.



Multiple Legal Employers and Tax Reporting Units

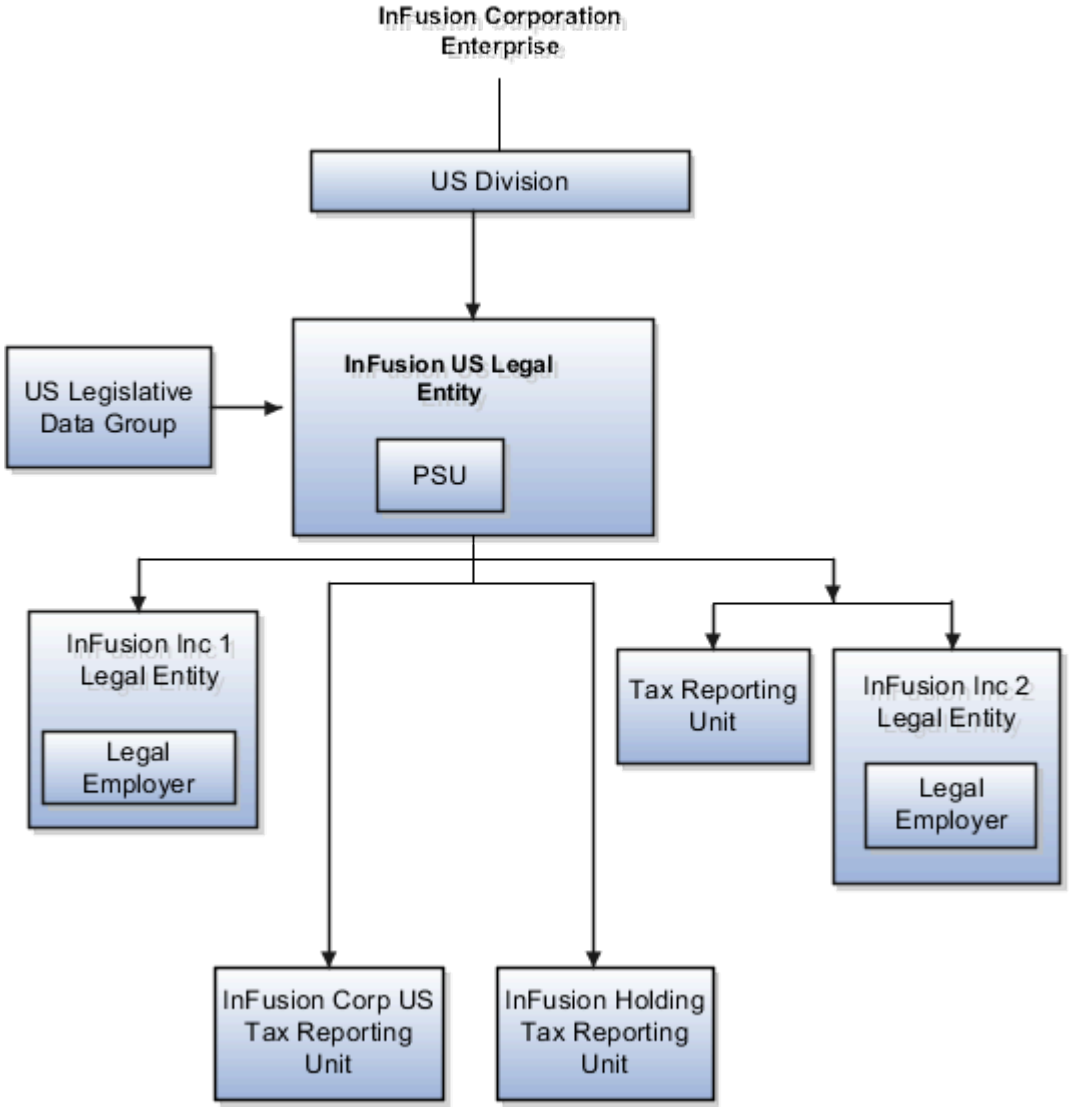
This example illustrates a more complex configuration. In this enterprise, you define one legal entity, InFusion US, as a payroll statutory unit with two separate legal entities, which are also legal employers. This model shows multiple legal employers that are associated with a single payroll statutory unit. Tax reporting units are always associated with a specific legal employer (or employers) through the payroll statutory unit.

The implication is that payroll statutory reporting boundaries vary from human resources (HR) management, and you can categorize the balances separately by one of the following:

- Payroll statutory unit
- Legal employer
- Tax reporting unit

This configuration is based on tax filing requirements, as some tax-related payments and reports are associated with a higher level than employers. An example of a country that might use this model is the US.

This figure illustrates an enterprise that has one payroll statutory unit and multiple legal employers and tax reporting units.

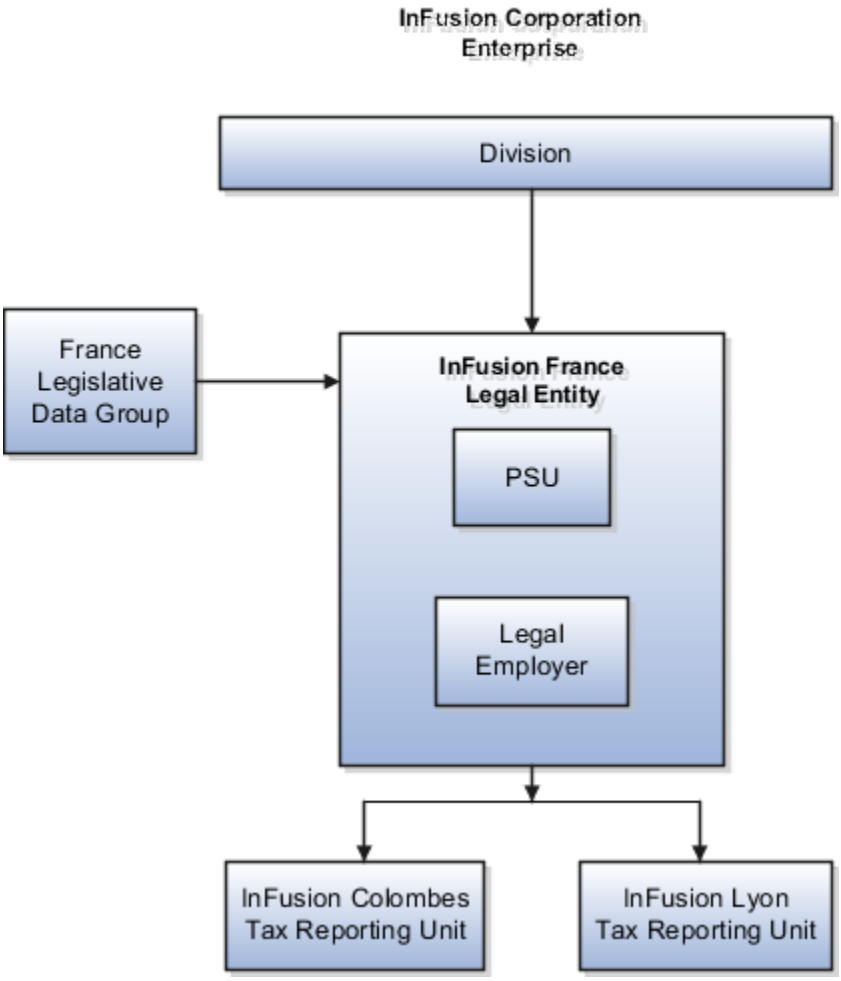


One Payroll Statutory Unit and Two Tax Reporting Units

This model makes no distinction between a legal employer and a payroll statutory unit. You define tax reporting units as subsidiaries to the legal entity.

In this enterprise, legal entity is the highest level of aggregation for payroll calculations and reporting. Statutory reporting boundaries are the same for both payroll and HR management. An example of a country that might use this model is France.

This figure illustrates an example of an organization with one legal entity. The legal entity is both a legal employer and a payroll statutory unit and has two tax reporting units.



One Payroll Statutory Unit with Several Tax Reporting Units

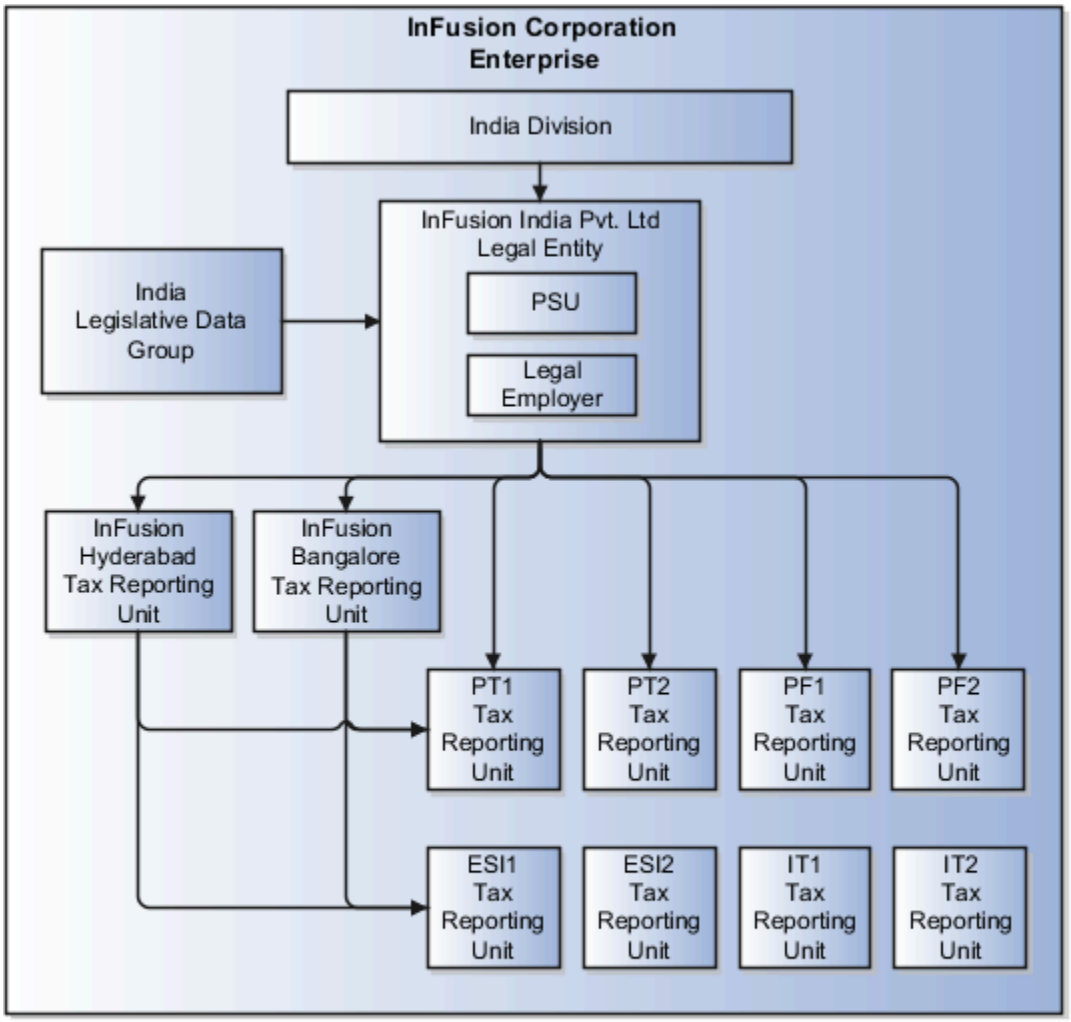
In this model, the enterprise has one legal entity. Legal employers and tax reporting units are independent from each other within a payroll statutory unit, because there is no relationship from a legal perspective. Therefore, you can run reporting on both entities independently.

Using this model, you wouldn't typically:

- Report on tax reporting unit balances within a legal employer
- Categorize balances by either or both organizations, as required

An example of a country that might use this model is India.

This figure illustrates an enterprise with one legal entity that's a payroll statutory unit and a legal employer. The tax reporting units are independent from the legal employer.



Multiple Payroll Statutory Units with Several Tax Reporting Units

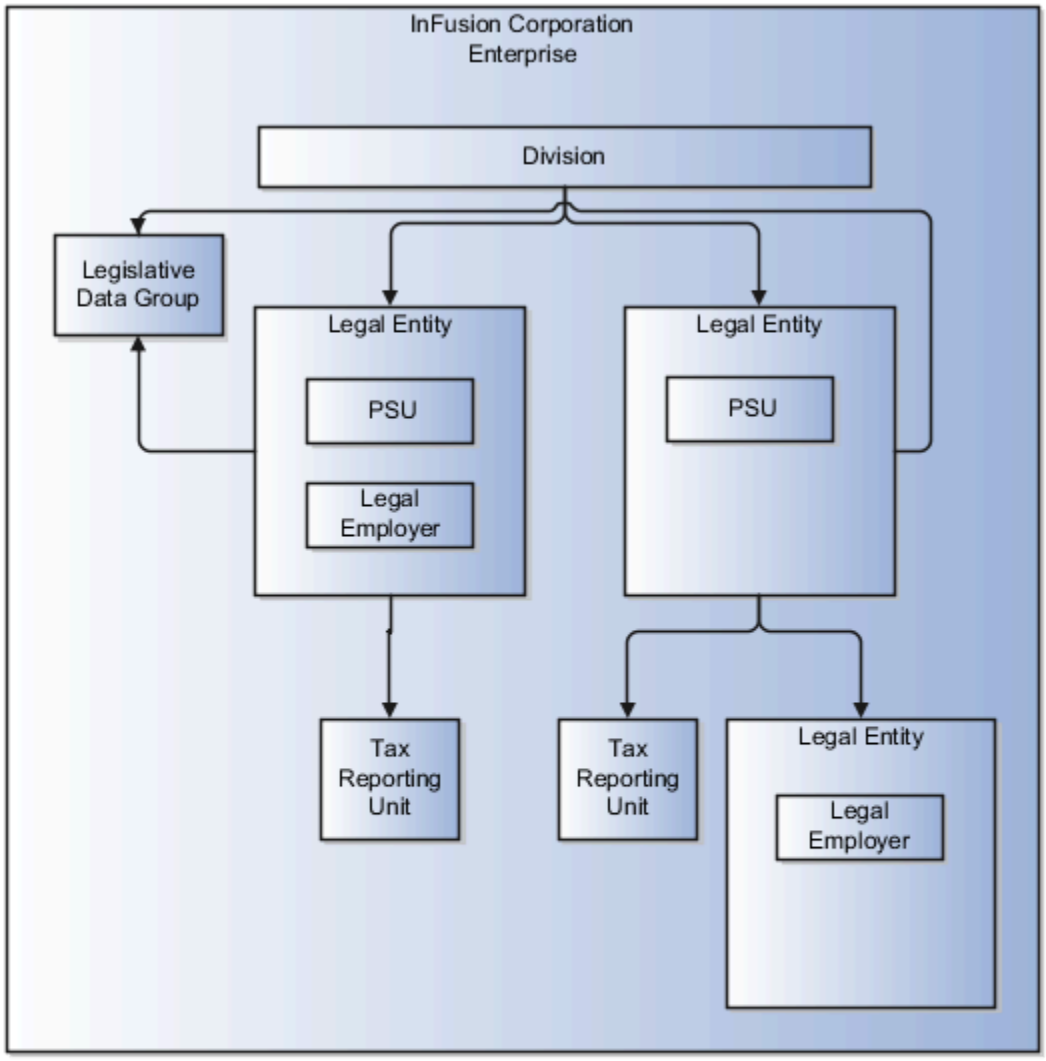
In this model, the enterprise has two legal entities. The legal employers and tax reporting units are independent from each other within a payroll statutory unit, because there is no relationship from a legal perspective. Therefore, you can run reporting on both entities independently.

Using this model, you wouldn't typically:

- Report on tax reporting unit balances within a legal employer
- Categorize balances by either or both organizations, as required

An example of a country that might use this model is the United Kingdom (UK).

This figure illustrates an enterprise with two legal entities, and legal employers and tax reporting units are independent



from each other.

Jurisdictions and Legal Authorities

Jurisdictions for the US

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

You use jurisdictions when setting up tax types.

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

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

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

Identifying jurisdiction

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

Registrations

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

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

Use the Legal Reporting Unit Registrations task to define registrations for each jurisdiction. When you define new jurisdictions set the registration number to employer identification number (EIN) or tax identification number (TIN).

Predefined jurisdictions

The here's the predefined US jurisdictions and the types of taxes they use.

Jurisdiction	Legislative category	Territory	Usage
United States Federal Tax	Federal Tax	United States	Federal income tax (FIT) Federal unemployment tax (FUTA) Social Security Medicare
<Territory> Income Tax	Income Tax	State	All states and territories with income tax (SIT) One legal jurisdiction for each territory with a SIT tax
<Territory> Unemployment Insurance	Unemployment Insurance Tax	State	All states and territories with unemployment insurance (SUI) tax One legal jurisdiction for each territory with a SUI tax
<Territory> Disability Insurance	Disability Insurance Tax	State	All states and territories with a disability insurance (SDI) tax One legal jurisdiction for each territory with a SDI tax

Jurisdiction	Legislative category	Territory	Usage

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

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

Local Tax Jurisdictions

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

Note: Local taxes aren't supported for retirees.

To create local tax jurisdictions:

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

Related Topics

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

Legal Authorities for the US

A legal authority is a government or legal body charged with powers to make laws, levy and collect fees and taxes, and remit financial appropriations for a given jurisdiction.

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

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

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

To define legal authorities:

1. Select **Legal Authorities** in the implementation project task list.
2. Click **Create**.
3. Define the legal authority.
    a. Select the **Tax Authority Type** based on the type of interaction.

       Typically, this would be *Collecting and Reporting*.
    b. Add one or more addresses.
    c. Add one or more legislative categories, such as the predefined Income Tax category.

       This establishes a link between the legal authority and all jurisdictions associated with the selected legislative category.
4. Click **Save and Close**.

Related Topics

- HCM Organizations for the US
- Organization Hierarchy Models for the US

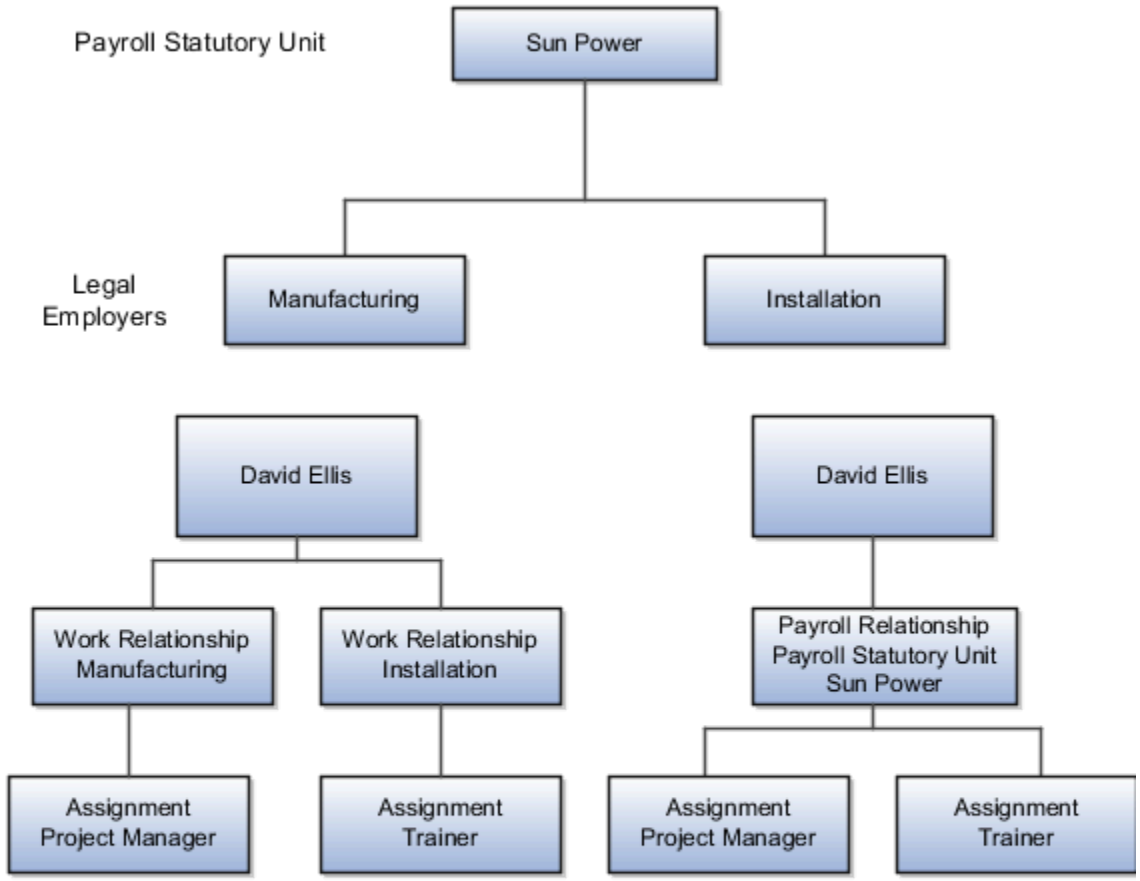
Payroll Employment Model

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

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

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.

How do I diagnose payroll validation and setup issues

You can use a number of tests to diagnose payroll employment setup issues.

Use the Diagnostic Dashboard to run the tests to diagnose payroll employment model setup issues, such as:

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

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

Related Topics

- Data Validation and Audit Reports
- Diagnostic Tests for the US
- Run Diagnostic Tests to Verify, Troubleshoot, and Analyze

Payroll Relationships

Payroll Relationships for the US

A payroll relationship represents the association between a person and a payroll statutory unit (PSU).

A PSU is the legal entity responsible for employee payment. Payroll relationships group a person's employment assignment records based on the payroll statutory calculation and reporting requirements. Payroll relationships help you capture and extract any HR and payroll-related data you want to send to a third party, such as a payroll processing provider.

Payroll processing always occurs at the payroll relationship level. When you display the payroll process results for a person, you:

1. Select the person's payroll relationship record.
2. Drill down to view the 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.

How Payroll Relationship Rules Map to Person Types

There's a predefined mapping between each person type and payroll relationship type.

You must use these predefined payroll relationship types. You can't create your own.

Payroll relationship type	How it affects its person types
Standard	Includes them in payroll runs
Element Entry Only	• Creates only element entries for them • Excludes them from payroll processing

The following relationship-mapping rules show how the person types relate to the payroll relationship types.

This person type	Uses this payroll relationship type
Contingent Worker	Element Entry Only
Employee	Standard
Nonworker	Standard
Pending Worker	Element Entry Only

How Payroll Relationships Affect Terminations

You can't terminate a person's payroll relationship while they still have active employment assignments. After you have ended all employment assignments, you can either terminate the payroll relationship or leave it active.

Note: If you keep the relationship active, you can reuse it and the PSU when rehiring the person.

Related Topics

- Payroll Relationship Rules for the US
- How to Set End Dates for Terminations

Payroll Relationship Rules for the US

The payroll relationship rule determines:

- What happens when you terminate the last active employment record for a payroll relationship

- Whether an employee receives a new payroll relationship when you assign them a new assignment record

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

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

Related Topics

- Payroll Relationships for the US
- How Terminations Affect Payroll Processing

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

Balances

Payroll Balance Definitions for the US

A balance is a positive or negative accumulation of payroll results for an element or group of elements, over a specified period of time.

What are balances?

Payroll balances show the accumulation of one of these values over time.

- Monetary value
- Time element, such as hours or days worked
- Any other numeric value

Whenever you run a payroll process, such as Calculate Payroll or Calculate Gross Earnings, it updates these values.

Most balances you require are predefined, and additional balances are automatically created when you define elements. You can edit these balance definitions or create additional definitions for calculations or reporting.

You manage balance definitions through the Balances task.

What is the balance model?

A defined balance value is the value for an individual on a particular date for a specific balance type. Each balance holds a value for an individual at one of the two levels of the employment model.

- Payroll relationship
- Assignment

A dimension enables you to view a balance value based on a combination of criteria. The balance dimension determines the date, such as year to date. Balance dimensions can also use contexts, which are entities that require values for a particular balance value.

For example, the "Regular Earnings Core Relationship Tax Unit Area1 Year to Date" defined balance is an association of:

- Regular Earnings balance
- "Payroll Relationship Tax Unit Area1 Year to Date" balance dimension.
  This dimension has these contexts.
  - Payroll Relationship (PAYROLL_RELATIONSHIP_ID)
  - Tax Unit (TAX_UNIT_ID)
  - State (AREA1)

A balance feed is an association between a balance type and an element input value.

For example, an employee's salary run result feeds all Regular Earnings defined balances if:

1. The salary pay value feeds the Regular Earnings balance.
2. The contexts associated with the run results match the contexts used by the defined balance.

What are a balance's components?

Use the Balances task to set these components.

Balance component	What it does
Balance name	Actual name of the balance, such as Gross Earnings. You can't have the same name for more than one balance.

Balance component	What it does
Reporting name	A reporting name is the balance name that reports and payslips display. Multiple balances can share the same reporting name. For example, if you needed to define separate balances in your organization, but you want to report them as the same, you can assign them the same reporting name.
Balance category	When you define a balance, you associate it to one of the predefined categories. Balance categories group balances to facilitate setting group attributes. For further info, see Balance Categories for the US in the Help Center.
Balance feeds	Element input values that make up a balance. Balance feeds can either add to or subtract from a balance. For further info, see Balance Feeds for the US in the Help Center.
Balance dimensions	Defines the balance's unique characteristics. They consist of: • Time period, such as the Period-To-Date or Year-To-Date dimensions • Employment level, such as the assignment or payroll relationship • Context, which is required for specific balances only, such as tax reporting unit (TRU), element, or payroll For example, the REGULAR_ASG_TU_YTD balance is a Regular Earnings balance type with these context values associated in its balance dimension. o Assignment o TRU Use them as a means of restricting the run results included in a balance value. Contexts are predefined. For further info, see Balance Contexts for the US in the Help Center. **Note:** The View Balances task refers to these context values as References. For example, the predefined Regular balance is the accumulation of all standard earnings processed in a payroll run. Balance dimensions are predefined, and their names are a concatenation of its three components. For example, "Assignment Tax Unit Year to Date" indicates the balance value is for a given employee's assignment within a TRU, for the Year-to-Date time period. For further info, see Balance Dimensions in the Help Center.
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)

Balance component	What it does
	• Integer • Money • Number Match the unit of measure of the balance with the unit of measure of the element input values that feed it.
Base balances	You can specify a base balance when there is a dependent relationship between balances for processing and reporting. For example, Loan Repayment could be the base balance for a Loan Repayment Arrears balance.
Defined balance	Combination of the balance type and the balance dimension, such as REGULAR_ASG_TU_YTD. Whenever a balance value is obtained, it's from a defined balance.
Balance groups	Balance groups represent a collection of balance definitions, which you can use to retrieve balance values for reports, archives, and balance views. For further info, see Balance Group Usages for the US in the Help Center.

What are the generated balances and database items?

The element template creates a primary feed to a new balance when you create:

- An earnings element in a legislative data group (LDG) that uses the Payroll Interface license type
- Any element in an LDG that uses the Payroll license type

You select the type of configuration through the Features by Country or Territory flow.

For this license type	The Elements flow does this
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.

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.

What are remuneration balances?

One balance in each LDG is predefined as the remuneration balance. This balance generates payments for employees.

For example, the remuneration balance might be Net Pay. The Net Pay calculated balance is the sum of standard earnings and supplemental earnings minus all the deductions calculated for the run.

Related Topics

- Balance Categories for the US
- Balance Contexts for the US
- Balance Feeds for the US
- Balance Group Usages for the US
- Balance Types for the US
- Balance Dimensions

Balance Types for the US

A balance is a combination of a balance type and a balance dimension.

Balances consist of the following types.

Type	What it does
Tax balances	Tax balances display the Current, Month-to-Date, Quarter-to-Date, and Year-to-Date values at the payroll relationship, payroll statutory unit (PSU), tax reporting unit (TRU), and assignment levels. You can view these balances on the View Person Process Results page for an employee. • Federal balances • State balances **Note:** When viewing state balances, if you don't specify a state during your query, the task displays all states. • Both employee or employer balances The default values displayed are employee values.
Element balances	Element balances display Current, Month-to-Date, Quarter-to-Date, and Year-to-Date values at the payroll relationship, PSU, TRU, or assignment levels. To view these balances on the View Person Process Results page: • Select the classification of the elements for which you want to view the balances. If you don't select a classification, balances for all element classifications are displayed. • Select a state to view the balances for a state.

For further info, see Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1) on My Oracle Support.

Related Topics

- Payroll Balance Definitions for the US
- Oracle Cloud Human Capital Management for United States: Balance Adjustments

Balance Categories for the US

Each balance definition has a predefined balance category for quicker processing. Balance categories are predefined and help you group balances so you can set group attributes.

While you can't modify these categories, you can create localized versions of them as needed.

The following are the predefined balance categories.

- Absence Accruals
- Absences
- Days
- Employee Tax Credits
- Employee Tax Deductions
- Employee Tax Wages
- Employer Liabilities
- Employer Tax Wages
- Employer Taxes
- Hours
- Imputed Earnings
- Information
- Involuntary Deductions
- Miscellaneous
- Nonpayroll Payment
- Other Units
- Pretax Deductions
- Standard Earnings
- Supplemental Earnings
- Total Absences
- Total Deductions
- Total Employee Tax Deductions
- Total Employer Liabilities
- Total Employer Taxes
- Total Imputed Earnings
- Total Involuntary Deductions
- Total Nonpayroll Payment
- Total Payments

- Total Pretax Deductions
- Total Standard Earnings
- Total Supplemental Earnings
- Total Voluntary Deductions
- Voluntary Deductions

Related Topics

- Balance Contexts for the US
- Balance Feeds for the US
- Balance Group Usages for the US
- Balance Types for the US
- Payroll Balance Definitions for the US

Balance Contexts for the US

Balance contexts are entities that require values for a particular balance value. You use them to restrict the run results included in a balance value.

Some balance dimensions also use contexts. All balance contexts are predefined.

For example, the `Regular Earnings Core Relationship Tax Unit Area1 Year to Date` balance is an association of the `Regular Earnings` balance type with the `Payroll Relationship Tax Unit Area1 Year to Date` balance dimension. The contexts associated with this dimension are:

- Payroll Relationship

  `PAYROLL_RELATIONSHIP_ID`
- Tax Unit

  `TAX_UNIT_ID`
- State

  `AREA1`

When performing balance adjustments, you don't necessarily need to enter input values, but entry of certain context values may be required to perform the adjustment correctly. If you leave the context values blank, the adjustment may not be associated to the correct context.

For example, if the adjustment is related to the state of California, you must identify the state in the **State** context field. If you leave the **State** context input value blank, the context is undefined, and the process wouldn't adjust the value for California.

Related Topics

- Balance Categories for the US
- Balance Feeds for the US
- Balance Group Usages for the US
- Balance Types for the US
- Payroll Balance Definitions for the US

Balance Feeds for the US

Balance feeds define the source of the payroll calculation results that contribute to a balance.

You can define payroll balance feeds in these ways.

How you can define them	What they do
Balance feeds by element	The Elements task automatically establishes a feed to a new element's balance. If you want to feed this element to other balances, use the Balance Definitions task. For each balance feed you define, all input values must use the same unit of measure. For example, don't mix money and hours in the same balance feed.
Balance feeds by classification	You can establish balance feeds from: • Primary element classifications • Secondary element classifications • Subclassifications These feeds use the input value that has the special purpose set to **Primary Output Value**. The unit of measure of this input value must match the unit of measure of the balance. If you add a primary classification as a balance feed, you can't use any of its child secondary classifications or subclassifications as feeds. For example, if you use the Supplemental Earnings primary classification as a balance feed, you can't also use any other children of Supplemental Earnings. Also, you can't use both secondary classifications and subclassifications in the same balance feed.
Balance feeds for initial balance loading	You can select elements in the Balance Initialization classification to feed a balance for initialization purposes only. Select one element for each level of the employment hierarchy associated with a dimension that you want to initialize. For further info, see Oracle Cloud Human Capital Management for United States: Balance Initialization (1912298.1) on My Oracle Support.
Balance feeds for year-end processing	Before you start the end-of-year processing, you must review the balances required for year-end reporting to generate the year-end forms. If required, perform balance adjustments and configure balance feeds. You must manually configure feeds for some of the balances reported on the year-end forms. For further info, see Administering US End-of-Year Processing on the Help Center.

How you can define them	What they do

Related Topics

- Payroll Balance Definitions for the US
- Example of Loading Initial Balances
- Oracle Cloud Human Capital Management for United States: Balance Initialization

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 for the US

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.

Field	Values
	• 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	For further info check here in the Help Center
Global Archive	Archive of current and year-to-date tax code balances for areas 1, 2, and 3	Archive Periodic Payroll Results for the US
Global Balance Views	Earnings default balances for the Balance Views page	Payroll Balance Report for the US
Global Deduction	Balances for involuntary, pre-statutory, social insurance, and tax deductions	Deduction Report
Global Element Results	Nonpayroll payment tax balances at the assignment and relationship levels	Element Results Register for the US
Global End-of-Year Archive	Payroll Relationship level balances	Archive End-of-Year Payroll Results for the US
Periodic Payroll Activity Report	Earnings balances at the payroll relationship level for the current payroll period and year-to-date	Periodic Payroll Activity Report for the US

Report type	What balance dimensions they use	For further info check here in the Help Center
Global Payroll Run Result Report	Balances for all earnings at the assignment and relationship levels	View and Verify Payroll Run Results
Global Statutory Deductions Report	All city, county, state, and school tax deduction balances for the current period and year-to-date	Periodic Statutory Deduction Register for the US
Global Gross-to-Net	Direct payment balances for a group tax unit for the current period and year-to-date	Gross-to-Net Report for the US
Statement of Earnings	City, county, and state pretax deductions for the current payroll period and year-to-date	How to View the Statement of Earnings for the US

Related Topics

- Balance Categories for the US
- Balance Contexts for the US
- Balance Feeds for the US
- Balance Types for the US
- Payroll Balance Definitions for the US

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

- Create a Net-to-Gross Earnings Element
- How Net-to-Gross Earnings are Calculated

Earnings and Deductions

Earning and Deduction Definitions for the US

The Define Earning and Deduction Definitions task list in your implementation project contains the tasks you use to set up elements and payroll components.

Your implementation may include a few predefined elements, usually for legislative tax deductions. Use the Elements task to create elements and the associated objects required to support their processing. The objects vary depending on the element classification and category.

- Element Classifications
- Elements
- Component Groups
- Eligibility Rules for Predefined Elements
- Rate Definitions

Manage Element Classifications

Elements are grouped into primary classifications that control their sequence of processing and the balances they feed. Secondary classifications are subsets of the primary classifications, which you may use to manage wage basis rules for deductions and taxes.

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

What you can do:

1. Create additional balances that the primary classifications feed
2. Create secondary classifications

   For further info, see Secondary Element Classifications for the US topic in the Help Center.
3. Specify costing setup options and frequency rules for element classifications

   The default frequency rule is always each period.

Manage Elements

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

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

> **Note:** You must have set the country extension to **Payroll** using the Manage Features by Country or Territory task before you create elements for payroll processing. This setting ensures that you use the appropriate element templates.

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

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

What you can do:

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

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

Review the predefined calculation info as required, such as the wage basis rules and calculation factors.

Manage Component Groups

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

What you can do:

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

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

1. Loading data, such as time cards
2. Using the Calculation Cards task and adding your own, such as for involuntary deductions
   By default, US employees receive their tax card automatically upon hire.
3. Creating an absence transaction

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

Element eligibility determines who can receive entries of the element. Do the following.

1. Create a name for the element eligibility record. Use a naming convention similar to the element's to easily identify the record, such as when you set up costing for the element's eligibility record.
2. Restrict who can receive entries of the element by specifying eligibility criteria. For elements applicable to all workers, create eligibility without specifying any criteria.

Manage Rate Definitions

Define any rates that are based on calculated payroll balances, such as an employee's average salary during the last 3 months. You can use rate definitions in absence plans and formulas.

You can define rates to be:

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

Related Topics

- What is element eligibility for the US?
- Elements for the US
- Payroll Calculation Info for the US
- Payroll Costing of Elements for the US
- Secondary Element Classifications for the US
- Examples of Creating Earnings Elements for the US

Elements, Balances, and Formulas for the US

The Define Payroll task list contains the tasks required for creating payroll elements for compensation and HR management. Use this task list when creating earnings, deductions, and other payroll data for reporting, compensation and benefits calculations, or transferring data to a third-party payroll provider.

If you're processing payroll, use the Define Payroll task list instead. This task list includes additional tasks required to set up payroll processing.

Before You Begin

The tasks in the Define Payroll task list require baseline organization, application, and tax configuration. Before you start the required payroll tasks, complete these tasks first.

Task	How you use it	Why it's important
Legal Entities	Create payroll statutory units (PSUs).	A PSU is a legal entity that's responsible for paying workers, including the payment of employee and employer payroll taxes. A PSU can pay and report on payroll taxes on behalf of one or many legal entities, depending on the structure of your enterprise. For further info, see Define Legal Entities for the US in the Help Center.
Legal Entity HCM Information	Associate a legislative data group (LDG) with each PSU.	As above.

Task	How you use it	Why it's important
Features by Country or Territory	Select Payroll Interface as the extension if you're extracting HR data to send to a third-party payroll provider.	Ensures you use the appropriate element templates to create earnings. For further info, see Country Extension Options for the US in the Help Center.
Load Geographies for US	Installs the monthly geography updates.	Ensures you have the latest geography info for payroll processing.
Load Payroll Tax Information for US	Installs the monthly tax updates.	Ensures you have the latest tax info for payroll processing.

Consolidation Groups Task

You must have at least one consolidation group for each LDG where you create elements. Payroll definitions require a consolidation group.

For further info, see Consolidation Groups for the US in the Help Center.

Elements Task

Use elements to communicate payment and distribution info to payroll applications from these source applications.

For further info, see Elements for the US in the Help Center.

Application	How you use the elements	What they do
Oracle Fusion Compensation	Earnings and deduction elements, such as bonuses, overtime earnings, and voluntary deductions	These elements are required for compensation plans and base pay, no matter which HR and payroll applications you're using.
Oracle Fusion Benefits	Deduction elements to record activity rate calculation results, such as: • Employee contributions and employer costs for medical plans • Flex credits for flex benefits	These elements are required if you use element entries to communicate benefits rate info to any third-party payroll application. **Note:** When defining these elements, you must select Payroll Relationship as the employment level.
Oracle Fusion Time and Labor	Earnings elements with input value of Hours Overtime calculations	These elements are required if you pay worked time based on time card entries.
Oracle Fusion Absence Management	Earnings elements with input value of Hours	These elements are required if you process absence payments and book employer liability of accrual balances through Global Payroll or Global Payroll Interface.

Payroll Definitions Task

Employees' assignments include their assigned payrolls. The payroll definition provides the payroll period frequency and end dates, which the following applications use for calculations.

For further info, see Payroll Definitions for the US in the Help Center.

Application	Is a payroll definition required?	How the definition is used
Global Payroll Interface	Yes	N/A
Compensation	Yes	N/A
Benefits	Optional	Required to use the payroll period frequency to calculate communicated rates or values passed to payroll.
Time and Labor	Optional	Required to pass time entries to payroll calculation cards for payroll processing or for extract to a third-party payroll application.
Absence Management	Optional	Required to pass absence entries: • To payroll calculation cards for payroll processing • For extract to a third-party payroll application

Other Payroll-Related Tasks

Your implementation might require these other tasks in the Define Payroll task list.

Task name	How you use it
Balance Definitions	Payroll balances show the accumulation of values over time. Payroll processes, such as Calculate Payroll and Calculate Gross Earnings, update the balance values. The values can be an amount, hours, or any other numeric value. Most of the balances you require are predefined, and additional balances are automatically created when you create elements. You can edit these balance definitions or create additional definitions for calculations or reporting.
Element Classifications	Primary and secondary element classifications are predefined.
Fast Formulas	You can write formulas for a number of uses, including: • Validating user entries into element input values • Configuring compensation, benefit, and accrual plan rules For further info, see the following on My Oracle Support.

Task name	How you use it
	• Oracle Cloud Absence Management: Fast Formula Reference Guide for Release 12 and Later (2065671.1) • Oracle Cloud Benefits: Benefits Fast Formula Reference Guide for Oracle Fusion Benefits (1456985.1) • Oracle Cloud Time and Labor: Time and Labor Fast Formula Reference Guide (1990057.1)
Organization Payment Methods	Organization payment methods define the combination of payment type and currency to use for payments to employees or external parties. If you want to record personal payment methods for your employees, you must create organization payment methods and associate them with your payroll definitions.

Related Topics

- Consolidation Groups for the US
- What are the country extension options available for the US?
- Define Legal Entities for the US
- Define Payroll Elements for Processing Absences for the US
- Elements for the US
- How Pay Frequency Components Work Together
- How Do I Load Payroll Tax Info for the US
- Manage Geography Info for the US
- Payroll Balance Definitions for the US
- Payroll Definitions for the US

How Elements Hold Payroll Info for Multiple Features for the US

Elements are the building blocks that help determine the payment of base pay, benefits, absences, and other earnings and deductions. How you associate your elements with salary bases, absence plans, and the benefits object hierarchy helps determine how you use them.

Here are some examples of how you can use elements.

What you want to manage	What elements you can define
Base pay	Annual salary basis Monthly salary basis Hourly salary basis
Absences	Absence payments Leave liability Discretionary disbursement

What you want to manage	What elements you can define
	Final disbursements
Benefits	Health care deductions Savings plan deductions Employee stock-purchase deductions
Time and labor	Regular hourly earnings Overtime earnings Shift earnings
Payroll calculations	Regular standard earnings Bonus earnings Taxation of federal income tax (FIT) Bankruptcy orders Child support orders Federal tax levies

For further info, see the following sections.

Base Pay Management

You must set up salary basis and payrolls before you hire employees. Use the Salary Basis task.

After you establish the salary basis, to manage a worker's base pay:

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

When a manager or compensation specialist enters a base pay amount for a worker, the payroll process:

1. Writes the amount to an element entry. It uses the element input value you associated with the worker's salary basis.
2. Uses the element entry to generate payment amounts.

Absence Management

You can manage worker absences and corresponding entitlements. You can:

- Create absence types based on predefined absence patterns and associate them with absence plans
- Associate an absence element with an absence plan to transfer the following info for payroll processing.
    - Payments for absent time during personal time off
    - Accrual disbursement at the end of absence plan year

- Accrual disbursement when plan enrollment ends
- Absence liability amounts

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

For further info, see Human Resources Cloud Administering US Absences on the Help Center.

Benefits

Attach elements at various levels in the benefits object hierarchy to create deductions and earnings that you can process in a payroll run to calculate net pay.

Time and Labor

Create elements for use in time cards, and calculate payroll or gross earnings based on the time card entries transferred to payroll. For example, for Oracle Fusion Time and Labor, you run processes that create dependent payroll attributes and time card fields for element input values.

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

Payroll

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

Related Topics

- Earning and Deduction Definitions for the US
- https://www.oracle.com/pls/topic/lookup?ctx=Fa-latest&id=s20069393
- Define Payroll Elements for an Absence Accrual Plan for the US
- Examples of Creating Earnings Elements for the US

Overview of Absence Management for the US

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

Most of the configuration happens in the Absences application. However, because absences and payroll are integrated, you must perform some set-up in Payroll. Payroll processing requires specific info, which is provided by the absences. The payroll process uses this info to calculate the absence payments.

For further info, see Human Resources Cloud Administering US Absences on the Help Center.

High-Level Steps

Here are the different absence and payroll steps you need to follow.

What you want to do	How you do it
Create rate definitions	Create rate definitions to use in calculating absence payments, liability balance calculations, and salary reduction calculations. Use the Rate Definitions task. For further info, see Overview of Absence Rate Definitions for the US in the Help Center.
Create absence elements	Create an absence element for each absence plan that transfers absence payment info for payroll processing. Use the Elements task. These elements use the Absences primary earnings classification. During absence element definition, the template provides the option to automatically create the Final Disbursements and Discretionary Disbursements elements. For further info, see Define Absence Elements for the US in the Help Center.
Create derived factors	Create derived factors to define how to calculate certain eligibility criteria that change over time. Use the Derived Factors task. For further info, see Derived Factors for Absences in the Help Center.
Create eligibility profiles	Create eligibility profiles to define criteria that determine whether a person qualifies for objects that you associated with the profile. Use the Eligibility Profiles task. For further info, see Absence Eligibility Profiles for the US in the Help Center.
Create fast formulas	Create any fast formulas needed to perform additional processing, such as: • Days-to-hours conversions • Absence entitlements based on employee attributes, such as grade Use the Fast Formulas task. For further info, see the following. • Oracle Cloud Administering and Working with Oracle Strategic Workforce Planning Cloud on the Help Center • Oracle Cloud Absence Management: Fast Formula Reference Guide (2065671.1) on My Oracle Support
Create absence plans	Create an absence plan, and select the absence element within the plan itself. Use the Absence Plans task. For further info, see Set Up Absence Plans for the US in the Help Center.
Create absence types	Create absence types, and associate your absence plans to them. Use the Absence Types task. For further info, see Set Up Absence Plans for the US in the Help Center.

What you want to do	How you do it
Enroll employees in absence plans	Enroll employees in the absence plan. For further info, see Set Up Absence Plans for the US in the Help Center.
Process accruals	If an employee is enrolled in an accrual plan, you must run the accrual process. For further info, see Process and Administer Absences for the US in the Help Center.
Create employee absence records	Record an absence for the employee by performing one of the following: • Employee enters their absence through self-service • You enter an absence for an employee using the Absence Records task This transfers the absence info to the payroll process, assuming the absence is approved and the option to transfer info to payroll is configured. This: 1. Creates or updates the absence calculation card. 2. Links the absence plan to the calculation component on the person's calculation card. For further info, see Employee Absence Records for the US in the Help Center.
Process payroll	After you have transferred the info to payroll and generated the entries, you can process the payroll that includes the absence entries. Then view the resulting absence balances on the person's Statement of Earnings (SOE).
View absence balances	After you have processed and archived payroll, the employee's absence and accrual balances are displayed on their SOE, payslip, check advice, and reports.

Navigation

Use these tasks to configure objects for processing absences in payroll.

What you want to configure	What task you use	Where you find it
Rate definitions	Rate Definitions	Payroll
Absence elements	Elements	Payroll
Derived factors	Derived Factors	Absences
Eligibility profiles	Eligibility Profiles	Absences
Absence plans	Absence Plans	Absences
Absence types	Absence Types	Absences

Related Topics

- Define Absence Elements for the US
- Absence Eligibility Profiles for the US
- Derived Factors for Absences
- Employee Absence Records for the US
- Oracle Cloud Absence Management: Fast Formula Reference Guide
- Overview of Absence Rate Definitions for the US
- Process and Administer Absences for the US
- Set Up Absence Plans for the US

Earnings Elements for the US

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

US Element Classifications

These primary and secondary classifications are available for US earnings elements.

Primary classification	Secondary classifications
Standard Earnings	• Overtime • Premium • Regular • Regular Not Worked • Shift • Tips Regular
Supplemental Earnings	• Awards and Prizes • Bonus • Cafeteria Plan • Commission • Deceased Employee Wages • Deferred Compensation Distribution • Dismissal Payments • Educational Assistance • Jury Duty Pay • Moving Expense Nonqualified • Moving Expense Qualified • Paid Time Off Payout • Pensions/Annuities • Sick Pay

Primary classification	Secondary classifications
	• Tips Supplemental • Travel Taxable Reimbursement
Imputed Earnings	• Domestic Partner Dependent • Domestic Partner Nondependent • Cash Tips Reported • Group Term Life Insurance • Moving Expense Nonqualified • Moving Expense Qualified • Noncash Award • Personal Use of Company Car
Nonpayroll Payments	• Expense Reimbursement

Related Topics

- How Do I Define Earnings Elements for the US
- Elements, Balances, and Formulas for the US
- Elements for the US
- Examples of Payroll Calculation Info for the US

Supplemental Augmented Earnings

Augments are amounts you pay an employee that are:

1. In addition to their regular rate of pay
2. Considered nondiscretionary

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

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

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

Deduction Elements for the US

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

US Deduction Classifications

Use these predefined element classifications when defining deduction elements.

Primary Classification	Secondary Classifications	For further info see the following in the Help Center
Involuntary Deductions	• Alimony • Bankruptcy Order • Child Support • Creditor Debt • Debt Collection Improvement Act • Educational Loan • Employee Requested • Garnishment • Regional Tax Levy • Spousal Support • Tax Levy	Alimony Deductions for the US Bankruptcy Order Deductions for the US Child Support Deductions for the US Creditor Debt Deductions Debt Collection Improvement Act Deductions Educational Loan Deductions Employee Requested Deductions Garnishment Deductions State Tax Levy Deductions Spousal Support Deductions for the US Federal Tax Levy Deductions For further info, see Human Resources Cloud Administering US Involuntary Deductions on the Help Center.
Pretax Deductions	• Deferred Compensation 401k • Deferred Compensation 401k Catch-Up • Deferred Compensation 403b • Deferred Compensation 457 • Dental Care 125 • Dependent Care 125 • Flexible Spending Account • Health Care 125 • Health Savings Account • Health Savings Account Catch-Up • Nonqualified Deferred Compensation • Retiree Dental Care 125 • Retiree Flexible Spending Account • Retiree Health Care 125 • Retiree Health Savings Account • Retiree Health Savings Account Catch-Up • Retiree Vision Care 125	Define Pretax Deduction Elements for the US

Primary Classification	Secondary Classifications	For further info see the following in the Help Center
	• Vision Care 125	
Voluntary Deductions	• Benefits After Tax • Deferred Compensation 401k Roth • Deferred Compensation 401k Roth Catch-Up • Employer Reimbursements • Life Insurance • Loans • Pension Plan After Tax • Union Deductions	Voluntary Deductions for the US

Related Topics

- Elements, Balances, and Formulas for the US
- Elements for the US
- Pretax Deductions for the US
- Voluntary Deductions for the US

Involuntary Deductions for the US

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

For further info, see Human Resources Cloud Administering US Involuntary Deductions on the Help Center.

This secondary classification	Works at this level	This is what it does
Alimony	Regional	Support payment initiated by an involuntary deduction order to a divorced person by the former spouse. For further info, see Alimony Deductions for the US in the Help Center.
Bankruptcy Order	Federal	Federal court procedure that helps individuals get rid of their debts and repay their creditors. When an individual declares bankruptcy, a trustee of the federal court generally handles the payments to the individual's creditors. For further info, see Bankruptcy Order Deductions for the US in the Help Center.
Child Support	Regional	Payment a noncustodial parent makes as a contribution to the cost of raising their child.

This secondary classification	Works at this level	This is what it does
		For further info, see Child Support Deductions for the US in the Help Center.
Creditor Debt	Regional	Involuntary deduction ordered against the subject of a successful lawsuit. When a creditor, lender, debt collector, attorney, or other party wins the lawsuit a judgment is made to withhold earnings. Those earnings are used to pay the third party. **Note:** You can usually use the Garnishment and Creditor Debt classifications interchangeably. However, there are some exceptions. Some states prohibit multiple involuntary deductions of this secondary classification to process at the same time. The payroll process enforces this rule if the employee has multiple components of the same secondary classification on their card. For further info, see Creditor Debt Deductions in the Help Center.
Debt Collection Improvement Act (DCIA)	Federal	Agencies are given authority to administratively garnish for debts owed to the US government. An example of federal debts collected according to this federal process are defaulted loans administered by: • Federal Housing Administrations • Veterans Housing Administration • Housing and Urban Development • Student loans administered directly by the US Department of Education • Social Security Administration For further info, see Debt Collection Improvement Act Deductions in the Help Center.
Educational Loan	Federal	Delinquent loan for education granted according to the Federal Direct Loan Program or Federal Family Education Loan Program. For further info, see Educational Loan Deductions in the Help Center.
Employee Requested	Regional	Agreement made between the employee and creditor after a debt was incurred. Not all states allow this. For further info, see Employee Requested Deductions for the US in the Help Center.

This secondary classification	Works at this level	This is what it does
Garnishment	Regional	Wage garnishment occurs when an employer is required to withhold the earnings of an employee for the payment of a debt. The garnishment is in accordance with a court order or other legal or equitable procedure. **Note:** You can usually use the Garnishment and Creditor Debt classifications interchangeably. However, there are some exceptions. Some states prohibit multiple involuntary deductions of this secondary classification to process at the same time. The payroll process enforces this rule if the employee has multiple components of the same secondary classification on their card. For further info, see Garnishment Deductions for the US in the Help Center.
Regional Tax Levy	Regional	Legal seizure of taxpayers' assets to satisfy back taxes owed. Not all states allow regional tax levies. For further info, see State Tax Levy Deductions in the Help Center.
Spousal Support	Regional	Court-ordered payment for support of a former spouse or a spouse while a divorce is pending. For further info, see Spousal Support Deductions for the US in the Help Center.
Tax Levy	Federal	According to federal law, a tax levy is an administrative action by the IRS enforced by statutory authority. This authority permits the IRS, without going to court, to seize property to satisfy a tax liability. For further info, see Federal Tax Levy Deductions in the Help Center.

Related Topics

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

Pretax Deductions for the US

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

When working with pretax deductions, consider the following.

- How wage basis rules work with them
- What are their contribution limits

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

Wage Basis Rules

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

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

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

Contribution Limits

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

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

Related Topics

- What are the contribution limits for deferred compensation plans?
- Define Pretax Deduction Elements for the US
- Earning and Deduction Definitions for the US
- Deduction Elements for the US
- What are tax wage basis rules for the US?

What deferred compensation plans are available for the US?

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

When preparing to set up deferred compensation plans for your organization, you should consider the following.

- What plan types you can set up
- How you configure the base contributions
- How you configure catch-up contributions
- What additional elements are created

- What are the contribution limits and how you can override them
- What reports are available to help you

Plan Types

You can support a variety of deferred compensation plans for your employees.

Plan type	To define elements for this plan type
401 (k)	Using the Elements task, define an element with the Pretax Deductions primary element classification and Deferred Compensation 401k secondary element classification. During element definition, you can elect to set up a variety of additional contribution types. • After-tax • Catch-up and catch-up employer-match • Employer-match • Roth after-tax and Roth catch-up You can also define after-tax and Roth contributions manually as described below.
After-Tax 401 (k)	The element template provides the option to define after-tax contributions during the base element definition. You can also manually define this contribution type. Using the Elements task, select the Voluntary Deductions primary element classification and Pension Plan After Tax secondary element classification. Using this method, you can elect to set up employer-match contributions for this plan.
Roth 401 (k)	The element template provides the option to define Roth contributions during the base element definition. You can also manually define this contribution type. Using the Elements task, select the Voluntary Deductions primary element classification and Deferred Compensation 401k Roth secondary element classification. During element definition, you can elect to set up a variety of additional contribution types. • Catch-up and catch-up employer-match • Employer-match
403 (b)	For the base contribution, define an element with the Pretax Deductions primary classification and Deferred Compensation 403b secondary classification. To define employer-match and catch-up contributions, use the person's Benefits and Pensions card.
After-Tax 403 (b)	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 403b secondary classification. To define employer-match contributions, use the person's Benefits and Pensions card.
Roth 403 (b)	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 403b secondary classification. To define catch-up and employer-match up contributions, use the person's Benefits and Pensions card.

Plan type	To define elements for this plan type
457 (b)	For the base contribution, define an element with the Pretax Deductions primary classification and Deferred Compensation 457 secondary classification. To define employer-match and catch-up contributions, use the person's Benefits and Pensions card.
After-Tax 457 (b)	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 457 secondary classification. To define employer-match contributions, use the person's Benefits and Pensions card.
Roth 457 (b)	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 457 secondary classification. To define catch-up and employer-match up contributions, use the person's Benefits and Pensions card.

Base Contributions

You can define base contributions for the following deferred compensation plans through the Elements task.

Note: The element template provides options for defining after-tax and Roth contributions automatically when you define the base contribution. The template creates the relevant elements. Alternately, you can define them manually using the classifications below.

Plan Type	Primary Classification	Secondary Classification
401(k)	Pretax Deductions	Deferred Compensation 401k
403 (b)	Pretax Deductions	Deferred Compensation 403b
457 (b)	Pretax Deductions	Deferred Compensation 457
After-Tax 401 (k)	Voluntary Deductions	Pension Plan After Tax
After-Tax 403 (b)	Voluntary Deductions	Pension Plan After Tax 403b
After-Tax 457 (b)	Voluntary Deductions	Pension Plan After Tax 457
Roth 401 (k)	Voluntary Deductions	Deferred Compensation 401k Roth
Roth 403 (b)	Voluntary Deductions	Deferred Compensation 403b Roth
Roth 457 (b)	Voluntary Deductions	Deferred Compensation 457 Roth

Note: Although Roth 401 (k), Roth 403 (b), and Roth 457 (b) are after-tax contributions, you must send Roth employer-matching contributions to a third-party pretax account. For further info, see your third-party supplier's documentation.

Catch-Up Contributions

Most deferred compensation plans offer catch-up contributions. These contributions help employees maximize their deferred compensation balances as they near their retirement age.

If you include them, you choose if the payroll process deducts them concurrently or sequentially with the base deductions. For further info, see the following in the Help Center.

- How Concurrent Catch-Up Deductions Are Calculated
- How Sequential Catch-Up Deductions Are Calculated

Additional Elements

Depending on how you configure the base element, the element template may create additional elements to support it, including indirect elements.

For example, when you create a 401 (k) element, your answers to these questions can result in the template creating indirect elements.

- Should the element have an associated catch-up element?
- Should the element have an associated Roth element?
- Should the element have an associated after-tax element?
- Should the deferred compensation element have an associated employer-match element?

Contribution Limits

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

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

Note: If your employee contributes to both a 401 (k) and 403 (b) plan, the payroll process enforces the deferred compensation annual limit across both plans.

Reports

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

Report	How you can use it
Deduction Report	Provides details of the payroll deductions processed for the specified period.
Element Results Register	Provides a listing of the elements and pay values processed for each payroll relationship action.

Report	How you can use it
Statement of Earnings	Consolidates all relevant info from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes personal info, payroll info, and tax and employment info, run results, messages, and balances.
Deferred Compensation Over the Limit Balance Exception Report	Useful for 401 (k) plans, but not 403 (b) or 457 (b) plans.

Annual Compensation Limit for Pretax Deductions

The payroll process automatically enforces an annual compensation limit on your employees' deferred compensation contributions.

How You Can Disable This Limit

In cases where your employees aren't subject to the annual compensation limit, you can disable the limit at the organization level.

1. Start the appropriate task from your implementation project, depending on if you're setting this value for a payroll statutory unit (PSU) or tax reporting unit (TRU).
   - Legal Entity Calculation Cards
   - Legal Reporting Unit Calculation Cards

   The value you set on the TRU card overrides the value on the PSU card.
2. Select **Benefits** under the **Component Groups**.
3. Under **Calculation Components**, click **Create**.
4. Select the **Pension Plan** calculation component.
5. Select **401(k)**, and click **OK**.
6. Select **Enterable Calculation Values on Calculation Cards**, and click **Create**.
7. Select **Enforce Eligible Compensation Annual Limit Check**.
8. Select **No**.
   By selecting **No**, the payroll process continues to perform employee deductions up to the annual deduction limit, even if the annual compensation limit has been reached.
9. Click **OK**, and save your changes.

How You Can Override This Limit

You can use the following to override this limit.

These overrides	Work with these contribution types
Override IRS Annual Compensation Limit	401 (k) 403 (b) Roth 401 (k)

These overrides	Work with these contribution types
	Roth 403 (b)
Override IRS Employer Annual Compensation Limit	403 (b) employer-match Roth 403 (b) employer-match
Override IRS Employer Catch-Up Annual Compensation Limit	403 (b) employer-match catch-up Roth 403 (b) employer-match catch-up

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

Related Topics

- What are organization calculation cards for the US?
- What are the contribution limits for deferred compensation plans?
- What deferred compensation plans are available for the US?

Section 125 Cafeteria Plans

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

For the Pretax Deductions primary classification, the following secondary classifications are eligible for section 125 cafeteria plans.

- Dental 125
- Dependent Care 125
- Flexible Spending Account
- Health Care 125
- Health Savings Account
- Health Savings Account Catch-Up
- Vision 125

Related Topics

- What deferred compensation plans are available for the US?
- Define Pretax Deduction Elements for the US
- Pretax Deductions for the US

How Do I Configure Iterative Processing for Pretax Deductions

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

For example, an employee has elected for 100% of their salary be deferred for pretax 401 (k). Although they're deferring their entire salary, that deferral is still subject to Social Security and Medicare taxes and certain state and local taxes. In this case, you would enable iteration for your 401 (k) element. When you run your payroll, the process withholds the required taxes before taking the 401 (k) deduction, up to the maximum limit.

To enable iterative processing for new elements:

1. Define the element as normal using the Elements task.
2. Select **Yes** for the **Is this element subject to iterative processing** template prompt.

To enable iterative processing for existing elements, use the Element Upgrade Process. For further info, see Oracle Cloud Human Capital Management for the US: Element Upgrade (2458385.1) on My Oracle Support.

Input Values for Iterative Processing

These input values define how the payroll process performs the iterations.

Input value	What it does
High Deduction	Identifies the highest threshold for the iterations. It would display an amount of $1,000 as `1000.00`. You can't change this value.
Iteration Count	Identifies the maximum number of iterations the payroll process can perform. You can't change this value.
Low Deduction	Identifies the lowest threshold for the iterations. It would display an amount of $900.99 as `900.99`. You can't change this value.
To Within	Informs the payroll process how close to the contribution amount it must get during its calculations. To determine the amount, it uses the value you set in these input values. • Percentage • Amount • Deduction Amount

When the payroll process completes, it updates these values with its final amounts in the run results.

Iterative Processing Priority by Classification

For those pretax elements where you have enabled iteration, the payroll process reduces the amount to withhold in the following order to ensure proper tax withholding, according to their secondary classification.

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

Related Topics

- How Do I Configure Iterative Processing for Pretax Deductions

Voluntary Deductions for the US

Use voluntary deductions to identify deductions that an employee chooses to pay through their salary instead of making the payments directly.

The deductible amount is either a fixed amount or a percent of the total earnings during a payroll run. The payroll process considers only certain earnings when working out how much money is available to make voluntary deduction payments.

Use secondary classifications to determine how the process calculates the deduction. These are the available voluntary deduction secondary classifications.

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

Related Topics

- Deduction Elements for the US
- Define Voluntary and Pretax Deductions for the US

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.
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

4 Load Payroll Data Using Transformation Formula

Data Loader

Overview

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

Use HSDL to Upload Organization Calculation Card Info for the US

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

There are multiple 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 templates.

Template name	What it does
US City Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads city calculation rules for TRUs and PSUs.
US County Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads county calculation rules for TRUs and PSUs.
US Federal Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads federal calculation rules for tax reporting (TRUs) and payroll statutory units (PSUs).
US State Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads common state calculation rules for TRUs and PSUs.
US State AK Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads Alaska state calculation rules for TRUs and PSUs.
US State CA Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads California state calculation rules for TRUs and PSUs.
US State HI Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads Hawaii state calculation rules for TRUs and PSUs.
US State NJ Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads New Jersey state calculation rules for TRUs and PSUs.

Template name	What it does
US State NY Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads New York state calculation rules for TRUs and PSUs.
US State PA Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads Pennsylvania state calculation rules for TRUs and PSUs.
US State RI Calculation Rules for Tax Reporting and Payroll Statutory Unit	Loads Rhode Island state calculation rules for TRUs and PSUs.

Related Topics

- What are organization calculation cards for the US?
- Load Objects with HCM Data Loader

Use HSDL to Upload Tax Card Info for the US

You can use the HCM Spreadsheet Data Loader (HSDL) to perform mass updates of employee Tax Withholding cards.

There are multiple 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 templates.

Template name	What it does
US City Tax Withholding Card	Loads city tax withholding info.
US County Tax Withholding Card	Loads county tax withholding info.
US Federal Tax Withholding Card	Loads federal tax withholding info.
US State AL Tax Withholding Card	Loads Alabama state tax withholding info.
US State AZ Tax Withholding Card	Loads Arkansas state tax withholding info.
US State AR Tax Withholding Card	Loads Arizona state tax withholding info.
US State CA Tax Withholding Card	Loads California state tax withholding info.
US State CT Tax Withholding Card	Loads Connecticut state tax withholding info.
US State DC Tax Withholding Card	Loads District of Columbia state tax withholding info.

Template name	What it does
US State GA Tax Withholding Card	Loads Georgia state tax withholding info.
US State IA Tax Withholding Card	Loads Iowa state tax withholding info.
US State IL Tax Withholding Card	Loads Illinois state tax withholding info.
US State IN Tax Withholding Card	Loads Indiana state tax withholding info.
US State KY Tax Withholding Card	Loads Kentucky state tax withholding info.
US State LA Tax Withholding Card	Loads Louisiana state tax withholding info.
US State MA Tax Withholding Card	Loads Massachusetts state tax withholding info.
US State MD Tax Withholding Card	Loads Maryland state tax withholding info.
US State ME Tax Withholding Card	Loads Maine state tax withholding info.
US State MI Tax Withholding Card	Loads Michigan state tax withholding info.
US State MN Tax Withholding Card	Loads Minnesota state tax withholding info.
US State MO Tax Withholding Card	Loads Missouri state tax withholding info.
US State MS Tax Withholding Card	Loads Mississippi state tax withholding info.
US State NJ Tax Withholding Card	Loads New Jersey state tax withholding info.
US State NY Tax Withholding Card	Loads New York state tax withholding info.
US State OH Tax Withholding Card	Loads Ohio state tax withholding info.
US State PA Tax Withholding Card	Loads Pennsylvania state tax withholding info.
US State Tax Withholding Card	Loads common state tax withholding info.
US State VA Tax Withholding Card	Loads Virginia state tax withholding info.
US State WI Tax Withholding Card	Loads Wisconsin state tax withholding info.
US State WV Tax Withholding Card	Loads West Virginia state tax withholding info.

Template name	What it does
US Tax Withholding Card Association	Creates multiple tax reporting unit associations. Don't use this template to update the taxation component.

Related Topics

- Load Objects with HCM Data Loader
- What Is the Tax Withholding Card
- Create a Personal Calculation Card for the US

Payroll Transformation Formula for HCM Data Loader

Overview

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 You Transform Data

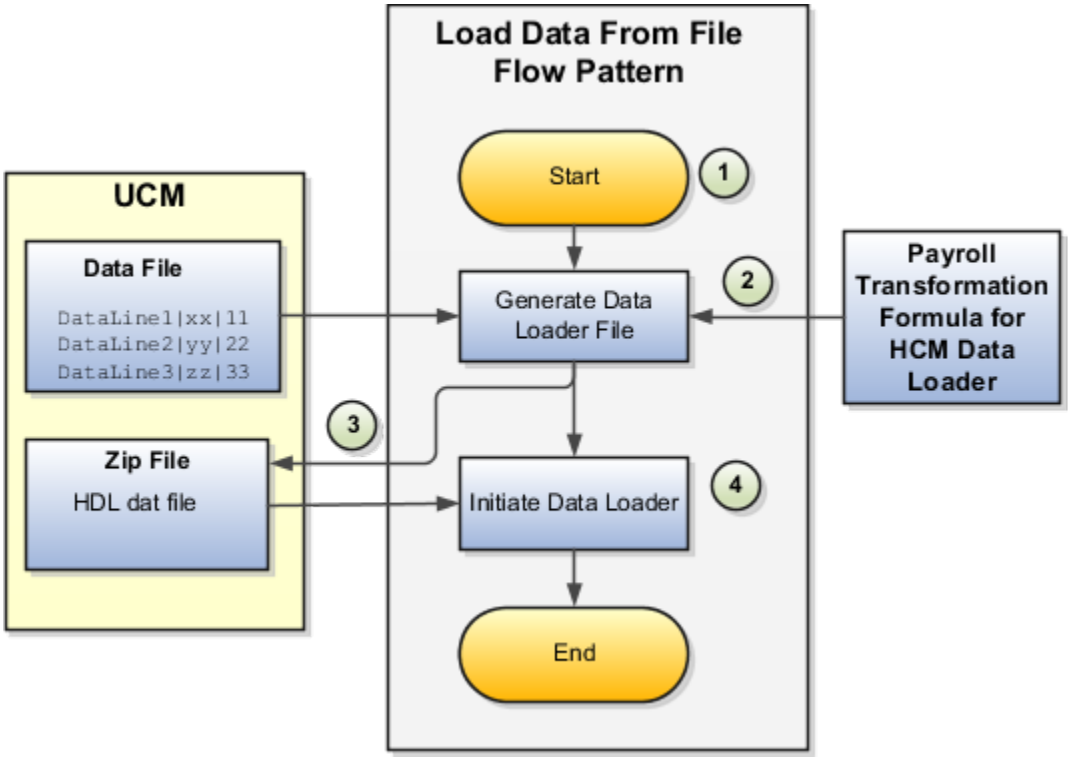
Use the **Load Data From File** flow to transform data in the source file into a format that's supported by HCM Data Loader.

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

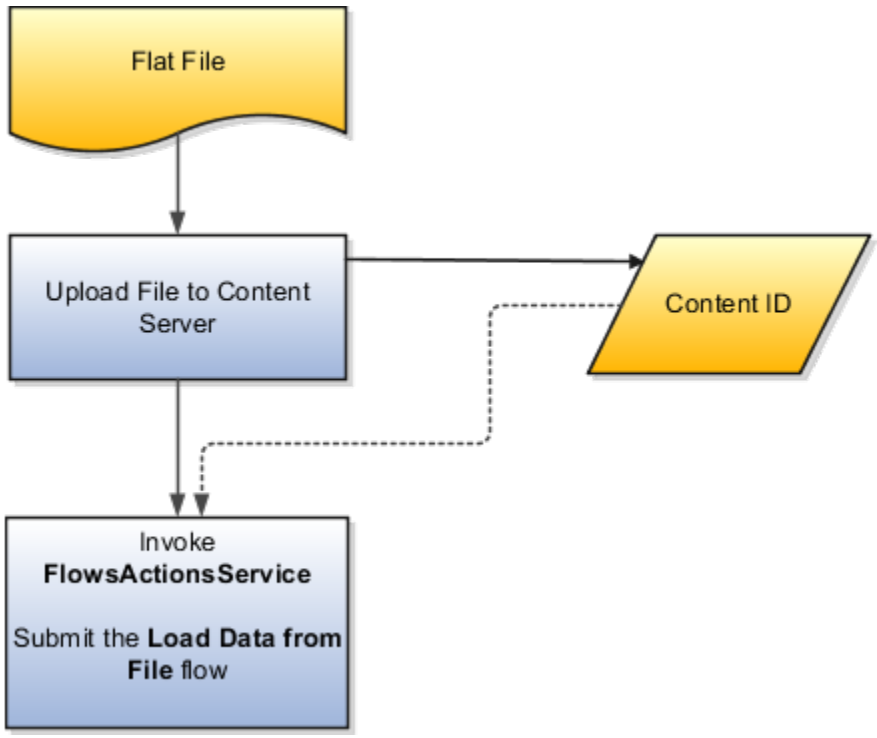
Related Topics

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

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

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.

Characteristics	What You Should Do
	Examples of processing parameters include Batch Error Mode, Logging Area, Logging Category, and Threads.

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

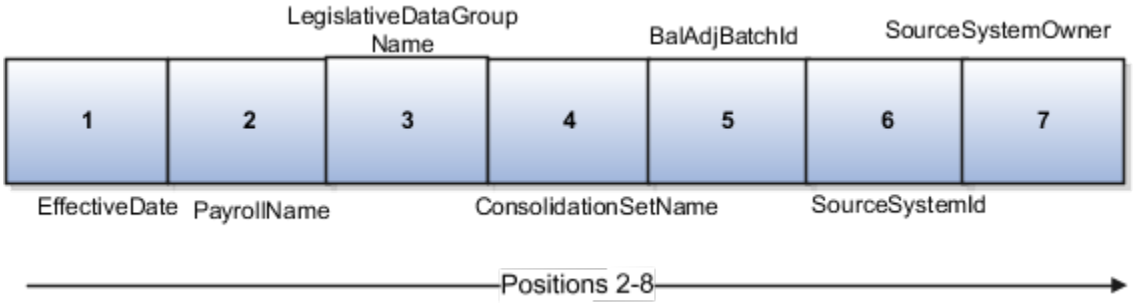
Variables, such as **FileName**, **FileDiscriminator** and **LINEREPEATNO**, are available for all formulas of HCM Data Loader Transformation formula type. Additional variables may be available depending on the selected business object.

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

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

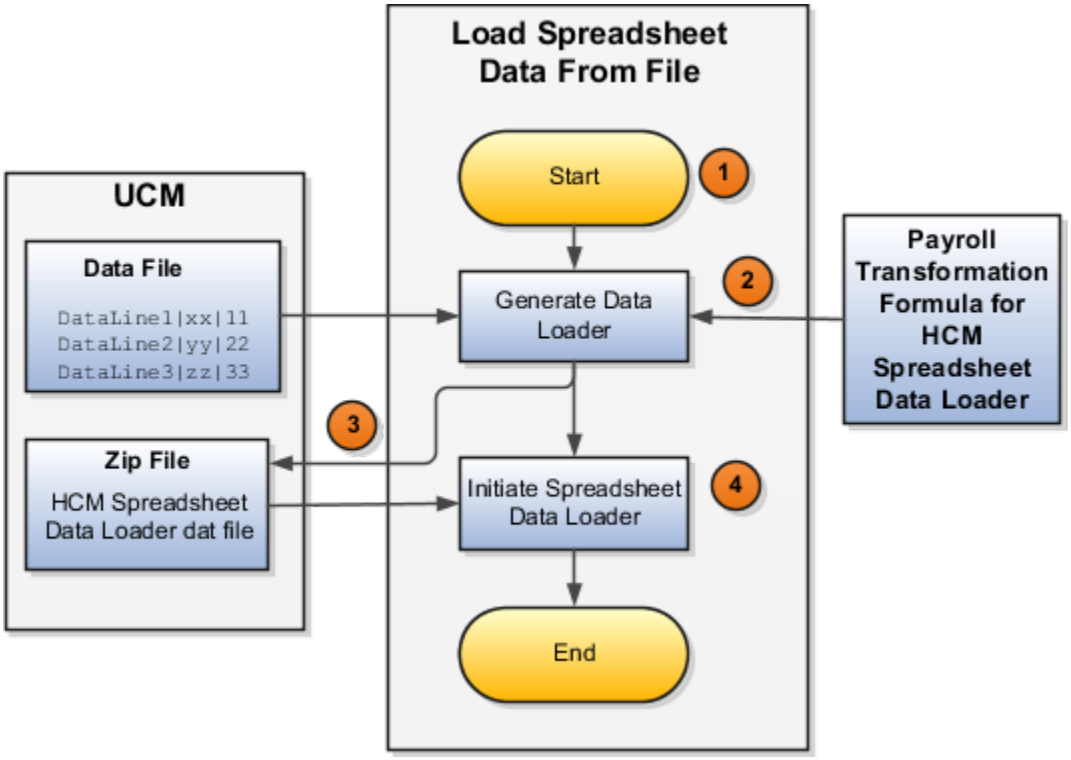
Payroll Transformation Formula for HCM Spreadsheet Data Loader

Overview

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. You can download CSV and XML file templates from a spreadsheet template. The Payroll Transformation Formula for HCM Spreadsheet Data Loader transforms the raw delimited file to a format that suits the template.

This figure summarizes the process of transforming data that's uploaded using HCM Spreadsheet Data Loader.



Here's a summary of how the transformation process works.

1. On the Home page, click the **Submit a Flow** quick action under the **My Clients Groups** tab. Submit the **Load Spreadsheet Data File** flow pattern.

   The flow is secured using these privileges:

Flow	Privilege
Submit Payroll	`PAY_SUBMIT_PAYROLL_FLOW_PRIV`
Load Data using HCM Spreadsheet Data Loader	`HRC_LOAD_DATA_USING_HSDL_PRIV`

2. This flow pattern invokes the transformation formula for the Content ID and has these tasks:
   a. Generate Data Loader File
   b. Initiate Spreadsheet Data Loader
3. The **Generate Data Loader File** task reads the data file line by line, producing an equivalent HCM Spreadsheet Data Loader format for each line. Finally, it creates a compressed file of all the transformed data files and uploads it to Oracle WebCenter Content server.
4. The **Initiate Spreadsheet Data Loader** task takes the compressed file generated by the **Generate Data Loader File** task and invokes the HCM Spreadsheet Data Loader. The HCM Spreadsheet Data Loader creates the required data in the HCM Cloud.

Related Topics

- Guidelines for Using HCM Spreadsheet Data Loader
- How Data Is Uploaded Using HCM Spreadsheet Data Loader
- HCM Spreadsheet Data Loader Templates
- Create and Edit Spreadsheet Templates
- Guidelines for Designing Spreadsheet Templates

Sample Payroll Transformation Formula for HCM Spreadsheet Data Loader

In this example, the transformation formula specifies the transformation mechanism for an incoming pipe separated delimited file. The formula's return values are the same as the list of attributes in the template file for the User Defined Table business object.

And this code snippet has the formula for this example.

```
/* 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 'NO DATA'
DEFAULT FOR POSITION5 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 = '1'/*Always be 1*/
RETURN OUTPUTVALUE
)
ELSE IF OPERATION = 'METADATALINEINFORMATION' THEN
(
METADATA1[1] = 'SMUDT' /*TemplateCode*/
METADATA1[2] = 'UserDefinedTable' /*FileDiscriminator*/
METADATA1[3] = 'UserDefinedTable_UserTableCode'
METADATA1[4] = 'UserDefinedTable_LegislativeDataGroupName'
METADATA1[5] = 'UserDefinedTable_UserTableName'
METADATA1[6] = 'UserDefinedTable_RangeOrMatch'
METADATA1[7] = 'UserDefinedTable_UserRowTitle'
METADATA1[8]= 'UserDefinedTable_UserKeyUnits'
RETURN METADATA1 /*You can return only one METADATA for the respective template*/
)
ELSE IF OPERATION='MAP' THEN
(
FileName = 'SMUDT'
BusinessOperation = 'HSDL'
FileDiscriminator = 'UserDefinedTable'
UserDefinedTable_UserTableCode = POSITION1
UserDefinedTable_LegislativeDataGroupName = POSITION2
UserDefinedTable_UserTableName = POSITION1
```

```
UserDefinedTable_RangeOrMatch = POSITION3
UserDefinedTable_UserRowTitle = POSITION4
UserDefinedTable_UserKeyUnits = POSITION5
RETURN
 BusinessOperation,FileDiscriminator,FileName,UserDefinedTable_UserTableCode,UserDefinedTable_LegislativeDataGroupNa
)
ELSE
OUTPUTVALUE='NONE'
RETURN OUTPUTVALUE
/* End Formula Text */
```

Note: The template code needs to be used in the Fast Formula.

Related Topics

- Guidelines for Using HCM Spreadsheet Data Loader
- How Data Is Uploaded Using HCM Spreadsheet Data Loader
- HCM Spreadsheet Data Loader Templates
- Create and Edit Spreadsheet Templates
- Guidelines for Designing Spreadsheet Templates

5 Understand Geographies and Address Styles

Implement Payroll

To implement payroll, you must first understand payroll feature choices and concepts. You can then plan your payroll implementation using the Oracle Functional Setup Manager.

Functional Setup Manager enables rapid and efficient planning, configuration, implementation, deployment, and ongoing maintenance of the application through administration.

Payroll Feature Choices

As part of feature choices for payroll processing you:

1. Select the correct product for each of your legislations and ensure that the appropriate features work correctly in your implementation

   Use the Manage Features by Country or Territory task.

   The country extension setting ensures that certain payroll-related features, such as element templates, work correctly in your implementation.

   For further info, see Country Extension Options for the US in the Help Center.

   If you're using a third party to process payroll, you must select the Payroll Interface license type.
2. Select the Payroll Costing Options to cost your payroll and the appropriate subledger accounting rules.

   For further info, see Calculate and Verify Cost Distributions for the US in the Help Center.
3. Select the appropriate currency precision the payroll process uses when performing calculations.

   For further info, see the following in the Help Center.

   - Configure the Online Payslip for the US
   - Currency Precision
   - Rate Precision in Payslips
4. If you're using a third-party payroll provider operating outside the United States, define an organization payment method for them, including setting the appropriate currency.

   Use the Organization Payment Method task.

Related Topics

- Configure the Online Payslip for the US
- What are the country extension options available for the US?
- Currency Precision
- Rate Precision in Payslips
- Calculate and Verify Cost Distributions for the US

Currencies

Currency Precision

Precision refers to the number of digits placed after the decimal point used in regular currency transactions. For example, USD would have 2 as the precision value for transactional amounts, such as $1.00.

To set the precision rate for a currency:

1. Start the Manage Currencies task from your implementation project.
2. Search for the currency.
3. In the search results, expand the currency.
4. Set the new precision values, and click **Save and Close**.

If you don't want to change the precision of the currency itself, you can change how currency amounts display on the payslip. For further info, see Rate Precision in Payslips in the Help Center.

Related Topics

- Rate Precision in Payslips
- What's the difference between precision, extended precision, and minimum accountable unit for a currency?

Geographies

How Do I Configure Geographies for the US?

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

Use them for:

- Address validation
- Taxation
- Geography-based business processes

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

- Geography structures
- Geography hierarchies
- Geography validation

To configure your geographies:

1. Install your geography data files.
   For further info, see How to Install the Geography Data Files in the Help Center.
2. Load the data files.

For further info, see How to Load US Geographies After Installation in the Help Center.

3. Resolve any upload problems.

   For further info, see the following in the Help Center.

   - How to Resolve Geography Upload Problems
   - How to Review the Load Geographies Log File

4. After installation is complete, you can verify your work.

   - Verify your geographies.

     For further info, see How Do I Verify My Geographies in the Help Center.
   - View geocodes.

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

     For further info, see How Do I View Geocodes in the Help Center.

Configuration you can perform includes:

- Restoring disabled geographies

  For further info, see How Do I Restore Geographies I Disabled in the Help Center.
- Change the state style format

  For further info, see How Do I Configure State Style Formats in the Help Center.
- Change the city display properties

  For further info, see How Do I Configure City Display Properties in the Help Center.

Geography Structures for the US

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

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

Level	Geography Type
1	State
2	County
3	City
4	ZIP Code

Use the geography structure to relate geography types for the US.

Geography Validation for the US

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

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

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

What you can set	What it does for you
Map to attribute	For every address style format, you map each geography type to an address attribute. For example, you can map the State geography type to the State address attribute. Which geography types you can select are based on how you defined the country structure. The list the address attributes that appear are based on either the predefined or user-defined address formats. **Note:** Map only the geography types that you want to use for geography or tax validation purposes.
Enable list of values	Once you mapped a geography type to an attribute, specify if it appears in a list of values during address entry in user interfaces. Enable a list of values only if you have sufficient geography data imported or created for that geography. **Note:** If the setup for master geography data is incomplete, then the geography data is either not imported or created. As a result, the list of values for the address attribute 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. 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 Fusion HCM applications don't use this functionality.
Geography validation	Don't change the default Geography Validation settings. Oracle Fusion HCM applications don't use this functionality.
Geography validation control	You can select the geography validation level for the US. The validation checks if the address you entered maps to the available geography hierarchy data. The geography validation control determines whether you can save an address that didn't pass validation during address entry. For example, if the validation level is Error, then you can't save an address if the values don't match the geography hierarchy data.

What you can set	What it does for you
	You can choose these geography validation levels. • Error You can save completely valid addresses only, with all mandatory address elements entered. • No Validation You can save all addresses, including incomplete and invalid addresses. Regardless of the result of validation, the validation process tries to: 1. Map any address attribute to a geography of the country. 2. Store any mapping it could establish based on the available data. This is called Geography Name Referencing, and it's executed as part of validation. Several business processes use the result of this referencing to map an address to a specific geography or zone. The **Geography Dimension** value in territories is derived from sell-to addresses of sales accounts. To use geography dimensions in territories, you must validate the geography elements in the addresses, such as state, city, and ZIP Code. You can validate the address by enabling geography validation for each country using the Geographies task. Do this in the Geographies task: 1. Enable at least one level in the geography hierarchy for geography validation. 2. Enable geography validation for all geography levels that you intend to use for territory definition for each country. 3. If needed, enable a list of values containing specific geography elements. This helps you search and select appropriate geography values during addresses entry and eliminate all possibilities of wrong address entry. You can set geography validation control to Error in the Geography Validation task. This ensures that users can only use valid geography elements in addresses. **Note:** If you have already created addresses before setting up geography validation, you must enable geography validation and then execute the Run Maintain Geography Name Referencing task. This validates all your geography elements.

How Geography Structure, Hierarchy, and Validation Fit Together for the US

There are three components that help you define your organization data.

You define them in this order.

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

Geography Structure

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

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

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

Geography Hierarchy

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

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

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

Geography Validation

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

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

Addresses

How Do I Configure Addresses for the US?

There are multiple tool available to help you configure addresses.

Use this tool	To do this
Address Formats task	Configures address styles and fields. Use this task to: • Hide fields • Rename fields • Change field layout Your changes affect all UI pages. Run this task from your implementation project.

Use this tool	To do this
Application Composer	Hides the **Primary Address** region in the **Edit Account** page.
Page Composer	Use this to change the prompts on address fields on individual UI pages. Don't use it to hide address regions.

Here's some things you can do to configure addresses.

What do you want to do	How you do it
Set the address style	Use the Manage Features by Country or Territory task from your implementation project.
Enable and disable address validation	Use the Manage Features by Country or Territory task from your implementation project.
Select address validation method	Use the Manage Features by Country or Territory task from your implementation project.
Control address field visibility	Use the Address task from your implementation project.
Change the field sequence so users can enter the ZIP Code before the city, state, and county	Use the Address Formats task from your implementation project.
Hide **Primary Address** on the **Edit Account Profile** page	Use the Application Composer.

Address Styles for the US

Use the Manage Features by Country or Territory task to control address styles for your organization.

The values available to you depend your implementation strategy.

For example:

- **Human Resources or None** and **Payroll Interface** extensions can select either the Postal Address or Supplemental Taxation and Reporting Address styles.

  Use the Supplemental Taxation style for these extensions only if:

  a. You have selected an address validation method.
  b. You have installed the master geography data set delivered by Oracle.
- Payroll extension must use the Supplemental Taxation and Reporting Address style.

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

You have these address style options. Each address style provides its own validation.

This address style	Does this
Postal Address	Provides the fundamental set of address attributes for a country or territory. In some cases, this style adds supplemental attributes. Used with these product extensions. • Human Resources or None • Payroll Interface
Supplemental Taxation and Reporting Address	Provides all attributes necessary to identify an address for payroll, tax, and reporting purposes. Enforces validation to attribute changes. For example, this would provide ZIP Code validation. You wouldn't be able to enter a California ZIP Code, such as 94065, for a Columbus Ohio address. Used with all product extensions.

Use the Manage Features by Country or Territory task to view these address styles.

To ensure accurate address validation, you must update your geographies regularly.

How to change address styles

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

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

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

What happens when I disable address validation for the US?

When you deselect **Address Validation**, you disable the US-specific programmatic validation rules. If you're using the **Payroll** license, never disable this programmatic validation.

You can disable address validation on through the Manage Features by Country or Territory task.

Note: The Manage Geographies task provides predefined rules for validating address structure, format, and values. Disabling address validation doesn't have any impact on these validations.

For example:

1. You have the **Human Resources or None** license with address validation enabled.
2. During data conversion, you want to temporarily bypass address validation rules to load a batch of worker data, so you start the Manage Features by Country or Territory task and deselect **Address Validation**.
3. You load your data.
4. After loading the batch, select **Address Validation** to enable the programmatic validations.
5. Run the Address Validation Process flow, and resolve any validation errors.

   If you leave address validation disabled:

   - Any new address data you enter could be potentially invalid.
   - Errors can occur in subsequent processes and reports.

How Tax Addresses Are Determined for the US

The employee resident and work tax addresses used by the payroll process are determined by this hierarchy.

Work Tax Address

Address source	Priority	How you set it
Work-at-Home = Yes	1	Use the Change Assignment task to set **Work at Home** on the person's assignment.
Assignment-level location override	2	Use **Work Tax Address** on person's assignment record to override the location address assigned to the person. You can update this by navigating to the Change Assignment task under Employment.
Location override address	3	Use the Locations task to define an address of **Location override** type. This overrides the location's main address.
Location address	4	Use the Locations task to define the main address. You set a person's location on their assignment.

Resident Tax Address

Address source	Priority
US Resident Tax Address	1

Address source	Priority
Home Address	2

6 Understand Prerequisite Payroll Setup Tasks

Setting Up Reconciliation for Payments

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

Task	Action
	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

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.
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 Setup

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.

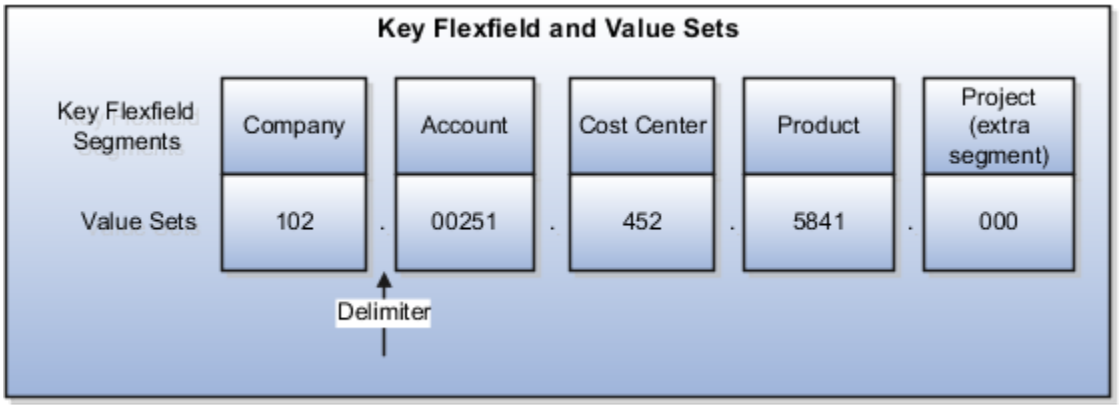
Decision	Description
How many cost allocation key flexfield segments does your Accounting flexfield include?	You must create a segment for each corresponding segment of the Accounting flexfield.
Do you need to reserve segments for future use?	You can't update the flexfield structure. You can create segments for later use, such as new lines of business, and display them as needed.

Decision	Description
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.
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

7 Set Up Enterprises and Workforce Structures

Organization Hierarchy Models for the US

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

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

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

There are many Oracle Cloud Human Capital Management for the United States documents to assist you. For further info, see the United States Information Center (2063588.2) on My Oracle Support.

What you want to do	How you do it
Before you begin	Make sure you have: 1. Defined the legal address for your enterprise using the Legal Addresses task. 2. Set up your legislative data group (LDG) using the Legislative Data Groups task. Or, it's automatically created when you define your first legal entity.
Define your legal entities	Use the Legal Entities task. For further info, see Define Legal Entities for the US in the Help Center.
Configure your legal entities	Use the Legal Entity HCM Information task. 1. Select and add a legal entity. 2. If the legal entity is also a PSU, enter the fiscal year start date. 3. Provide Equal Employment Opportunity, new hire, and veterans-related info. For further info, see Define Legal Entities for the US in the Help Center.
Create organization calculation cards for your legal entities	Use the Legal Entity Calculation Cards task to: • Define federal and regional tax rules. • Configure the reporting establishment. For further info, see Configure Organization Calculation Cards for the US in the Help Center.
Define your legal reporting units (LRUs)	Use the Define Legal Reporting Units for Human Capital Management task. For further info, see Overview of Legal Reporting Unit Configuration for the US in the Help Center.
Configure your LRUs	Use the Legal Reporting Unit HCM Information task to:

What you want to do	How you do it
	• Identify an LRU as a tax reporting unit (TRU). • Specify info required for year-end and quarterly filings, as well as various reports and processes for the US. • Override any values you may have entered for the PSU. • Specify third-party identifier info. • Specify additional EEO and VETS info. For further info, see Overview of Legal Reporting Unit Configuration for the US in the Help Center.
Create organization calculation cards for your LRUs	Use the Legal Reporting Unit Calculation Cards task to: • Define LRU calculation cards as needed. • Provide additional info about federal and regional tax rules, such as self-adjustment methods and SUI Employer rates. Entering this data for the LRU overrides any data entered at the PSU level. For instructions on defining courtesy tax withholding rules, see Oracle Fusion HRMS (US): Courtesy Tax Implementation (2138998.1) on My Oracle Support. For further info, see Configure Organization Calculation Cards for the US in the Help Center.
Configure your LRU registrations	Use the Legal Reporting Unit Registrations task to: • Define legal entity registrations as needed • Register all legal entities against a jurisdiction governed by a legal authority. You can use preexisting legal jurisdictions or create a local tax jurisdiction. • Connect your LRU to a legal authority, if needed. • Verify a registration for the United States Federal Tax jurisdiction exists, or create one if needed. Use it to enter the employer federal Employer Identification Number (EIN). • If the LRU interacts with other legal authorities, you must create additional registrations. • Ensure that employee W-2 forms are populated with correct and complete info. Federal registrations need the **Registration Number** field and state registrations need the **Legal Entity Registration Number** field populated for each TRU. For further info, see Overview of Legal Reporting Unit Configuration for the US in the Help Center.
Define the contacts for your legal entities	Use the Legal Reporting Units task. Different contact types are used for different purposes. For example, HR report processes use the contact details for a person with HR representative role. Payroll report processes use the Payroll Tax representative or Payroll representative roles. The HR Reporting processes use contact details for reporting from the TRU associated with a legal employer. For further info, see Overview of Legal Reporting Unit Configuration for the US in the Help Center.
Identify reporting establishments	Identify an existing TRU as a reporting establishment using the Reporting Establishments task. You can also identify an LRU as a reporting establishment as you define it through the Legal Reporting Unit HCM Information task. For further info, see Options for Identifying Legal Reporting Units as Reporting Establishments in the Help Center.

Related Topics

- What are organization calculation cards for the US?
- Define Legal Entities for the US
- Jurisdictions for the US
- Options for Identifying Legal Reporting Units as Reporting Establishments
- Overview of Legal Reporting Unit Configuration for the US
- Create Legal Entities, Registrations, and Reporting Units
- United States Information Center

Define Enterprise Structures for the US

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

As the implementor, you can perform all setup tasks from your implementation project.

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

For these structures	Check here for more info
Legal entities, including registrations, payroll statutory units, and HCM configuration	Legal Entities for the US in the Help Center.
Legislative data groups	Legislative Data Groups for the US in the Help Center.
Legal reporting units, including registrations, tax reporting units, reporting establishments, and HCM configuration	Legal Reporting Units for the US in the Help Center.
HCM organization models	HCM Organizations for the US in the Help Center.
Legal jurisdictions	Jurisdictions for the US in the Help Center.
Legal authorities	Legal Authorities for the US in the Help Center.

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

For these structures	Check here for more info
Workforce structures, including locations, departments, and jobs	Workforce Structures for the US in the Help Center.

For these structures	Check here for more info
Payroll relationship records	Payroll Relationships for the US in the Help Center.
Define elements and configure the predefined elements	How Elements Hold Payroll Info for Multiple Features for the US in the Help Center.

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

Related Topics

- Enterprise Structures for the US
- How Elements Hold Payroll Info for Multiple Features for the US
- Legal Entities for the US
- Legislative Data Groups for the US
- Organization Hierarchy Models for the US
- Payroll Relationships for the US
- Workforce Structures for the US

Country Extensions

What are the country extension options available for the US?

The country extension setting ensures that certain payroll-related features work correctly in your implementation, such as element templates.

Use the Manage Features by Country or Territory task to select the correct product for each of your legislations and ensure that the appropriate features work correctly in your implementation.

To view and set the product extension:

1. Search for and start the Manage Features by Country or Territory task.
2. Ensure the **Selected Extension** value is correct for the United States legislation.
3. Make any necessary changes, and click **Save**.
4. Click **Done**.

Country Extension Settings

Here's what the different the country extension settings do for you.

Country extension	What it does
Payroll	• When creating elements, the element templates generate formulas and other associated items that are required for costing or payment processing when you process payroll. • The New Hire process performs automatic actions, such as:

Country extension	What it does
	◦ Creates a Tax Withholding card for the new employee ◦ Associates them with a tax reporting unit (TRU) if the TRU was specified at time of hire ◦ Creates a Tax Jurisdictions card for the new employee and automatically derives the applicable local resident and work tax jurisdictions ◦ Validates address formats • Payroll definitions require associated organization payment methods. You must select payment methods that include a payment source. • Defining payment sources requires source banks in Oracle Cloud Financials.
Payroll Interface	• The element templates for creating regular and supplemental earnings elements generate associated objects, such as input values, formulas, and balances. The Calculate Gross Earnings process requires these objects to include employee data. For all other elements, the simplified element templates create only the element and no associated objects. • The New Hire process includes country-specific validation. • Validations on payroll objects are less restrictive to support sending employee bank info as follows: ◦ No requirement for organization payment methods in payroll definitions ◦ No requirement for payment sources in organization payment methods ◦ No dependency on source banks in Oracle Cloud Financials
Human Resources or None	• The element templates for creating earnings and deductions elements generate only the elements and no associated objects, such as input values, formulas, or balances. You can configure these elements to meet your specific business requirements, such as adding input values and formulas to a compensation element. • Certain countries or territories have additional country-specific validation. • Validations on payroll objects are less restrictive, as with the **Payroll Interface** setting.

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

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

Legal Entites

Define Legal Entities for the US

To add a legal entity to your organization, you first define it using the Legal Entities task in your implementation project.

You define separate legal entities for employees and retirees.

Defining legal entities includes doing the following.

Want you want to do	How you do it
Before you begin	Make sure you have: 1. Defined the legal address for your enterprise using the Legal Addresses task. 2. Set up your legislative data group (LDG) using the Legislative Data Groups task. Or, it's automatically created when you define your first legal entity.
Create your legal entities	Use the Legal Entities task. • If you're using the legal entity in an HCM context, designate it as a legal employer. HCM implementations require legal employers. • If you're using it in a payroll context, designate it as a payroll statutory unit (PSU) for payroll processing and tax reporting. Limit your organization to one PSU for employees and one for retirees. This helps you: o Control how the payroll process calculates limit taxes. o Control overtime calculations between multiple TRUs. For further info, see Implementing Payroll Overtime Rates for the United States on the Help Center. o Track deferred compensation contribution limits. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center. o Issue pension payments to retirees. For further info, see Oracle Cloud Human Capital Management for the United States: Payroll and HR Implementation and Use for Retirees (2461709.1) on My Oracle Support. • You can define a legal entity that's both a legal employer and a PSU. • To group multiple legal employers together for tax reporting purposes, assign them to the same parent PSU. If your legal employers represent different companies, assign them to separate PSUs. There are no predefined legal entities. You must create all legal entities that apply to your enterprise.
Identify the LDG	Confirm the correct LDG is associated with your PSUs.
Configure your legal entities for HR reporting and payroll processing	After creating the legal entities, use the Legal Entity HCM Information task to configure them for the following. • Equal Employment Opportunity (EEO) reporting • New Hire reporting • Veterans' Employment & Training Service (VETS) reporting • Payroll processing • Third-party tax filing
Configure your legal entities and PSUs for retirees	If you have retirees in your organization, you must create separate legal entities and PSUs for them. Don't assign both employees and retirees to the same PSUs or to the same legal employers.
Define organization calculation cards for your legal entities	Use the Legal Entity Calculation Cards task from your implementation project.

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

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

Before You Begin

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

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

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

How You Create Legal Entities

To create a legal entity:

1. Start the Legal Entities task from your implementation project, and click **Create**.
2. On the Create Legal Entity page, provide the name, identifier, and country.
3. If you don't designate this legal entity as a PSU, assign an existing PSU to it. Choose one from the **Payroll Statutory Unit** field.
4. Provide any other required info.
5. Click **Save** and **Close**.

How to Identify the LDG

To view the LDG associated with a PSU:

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Manage Legal Entity HCM Information**.
3. Search for the PSU or legal entity.
4. Select **PSU**. This displays general info for the PSU, including the LDG.
5. If the LDG hasn't automatically been associated, select one from the menu.

How to Configure Your Legal Entities

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

> **Note:** Electronic year-end and quarterly filings processes aren't available in Oracle Fusion HCM. You must perform these filings through the US Third-Party Tax Filing interfaces. For further info, see Oracle Cloud HCM for the US: Third-Party Tax Filing Interface document (1594079.1) on My Oracle Support.

To enter this info:

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Manage Legal Entity HCM Information**.
3. Search for and choose the legal entity you want to modify.
4. If the legal entity is a legal employer:
    a. Select **Legal Employer**.
    b. In the left pane, click **Legal Employer Details** and enter the necessary values in the **Work Day Information** and **Legal Employer Information** sections.
    For retiree legal entities, select the 2 Tier - Multiple Assignment employment model.

c. Click **Federal**, and define the EEO, New Hire, and VETS reporting rules.
d. Enter the company identifier.
e. Indicate if the company employs more than 100 employees in a pay period.
f. Indicate if the employer is a government contractor.
g. In **New Hire Reporting Rules**, associate a default tax reporting unit (TRU) to a legal employer. Select one in the **TRU for the New Hire Report** field.

   HR reports use the employer federal employer identification number (EIN), registered name, contact details, and registration details of the TRU associated with the legal employer.
h. In **VETS Reporting Rules**, enter the reporting name, parent company, company number, and type of reporting organization.
i. In **EEO and VETS Reporting Information**, choose the employment categories you want to exclude from the reports.

   > **Note:** Selecting a value in **Exclude Assignment Category** results in that category being excluded from EEO and VETS reporting.

j. Select the **Single** or **Multiple** establishment employer type.
k. Identify whether your legal entity is affiliated with an enterprise of 100 or more employees.
l. In **United States Reporting Entity Data**, identify each legal employer as either a parent or child.
m. In **EEO and VETS Assignment Category**, choose the assignment categories to include or exclude from the EEO-1 report.

5. If the legal entity is also a PSU:

   a. Select **PSU**. This tab lists the associated PSU, including the LDG.
   b. Enter the fiscal year start date.
   c. Select **Federal**, and enter any additional info to support electronic year-end filings for the US.
6. Click **Submit**.

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

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

Define Organization Calculation Cards

To define a calculation card for a legal entity:

1. Start the Legal Entity Calculation Cards task from your implementation project.
2. On the Payroll Statutory Unit page, click **Create**.
3. Provide an effective date, and select **Calculation Rules for Tax Reporting and Payroll Statutory Unit**.
4. Click **Continue**.
5. Define the federal income tax (FIT) calculation rules for the card.

   a. Select the appropriate row under Calculation Components.
   b. Enter the appropriate data in **Calculation Component Details**, including the applicable employer self-adjustment method.
   c. Repeat to add calculation rules for Social Security, Medicare, and federal unemployment tax (FUTA).
   d. Click **Save**.

6. Create regional calculation rules for the card.
    a. Select **Regional** in **Calculation Card Overview**.
    b. Under the **Actions** menu, select **Create**.
    c. Select the appropriate state, and click **OK**.
    d. Select **State Unemployment** in **Calculation Components**.
    e. In **Calculation Component Details** of the **State Income Tax: Details** section, click **Add Row**.
    f. Select **State Unemployment Organization Information**, and click **OK**.
    g. Select the self-adjustment method.
    For further info, see Self-Adjustment Methods for Tax Withholding in the Help Center.
    h. To define state unemployment (SUI) employer experience rates for your PSU, select **Enterable Calculation Values on Calculation Cards** and click **Create**.
    i. Repeat these steps to enter the self-adjustment method for state disability.
    j. Define any appropriate courtesy tax withholding rules.
    For further info, see Oracle Cloud HCM for the US: Courtesy Tax Implementation (2138998.1) on My Oracle Support.

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

Related Topics

- What are the contribution limits for deferred compensation plans?
- Legal Entities for the US
- Organization Hierarchy Models for the US
- Overview of Legal Reporting Unit Configuration for the US
- Self-Adjustment Methods for Tax Withholding
- Oracle Cloud Human Capital Management for the United States: Courtesy Tax Implementation
- Oracle Cloud Human Capital Management for the United States: Payroll and HR Implementation and Use for Retirees
- Oracle Cloud Human Capital Management for the United States: Third-Party Tax Filing Interface
- United States Information Center

Legal Reporting Units

Overview of Legal Reporting Unit Configuration for the US

Use the Legal Reporting Units task in your implementation project to define and configure a legal reporting unit (LRU).

What you need to do	How you do it
Define the legal reporting unit	The first time you create a legal entity as a payroll statutory unit (PSU), the task creates the first LRU for you. If you want more LRUs for that PSU, use the Legal Reporting Units task in your implementation project.

What you need to do	How you do it
	Use this task to also configure your LRU, such as to identify it as a tax reporting unit (TRU) or reporting establishment.
Define contacts for the LRU	Use the Legal Reporting Unit task to specify employer contact details at the LRU level.
Define the legal addresses	Use the Legal Addresses task
Specify registrations for the LRU	Use the Legal Reporting Unit Registrations task.
Set up the calculation card for the LRU	Use the Legal Reporting Unit Calculation Cards task.

For details on these steps, see the following sections.

Define the Legal Reporting Unit

Use the Legal Reporting Unit task in your implementation project to define and configure LRUs.

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

To create the LRU:

1. Start the Legal Reporting Unit task.
2. Select the appropriate legal entity.
   Any LRU you define will belong to this legal entity.
3. Select **Create** in the Select Scope window, and click **Apply and Go to Task**.
4. Select **Create** from the Actions menu.
5. Define the values required for the LRU.
   This includes:
   - Identify the LRU as a TRU
   - Identify the LRU as a reporting establishment
   - Provide additional info required for year-end and quarterly tax filing
     Entry in these fields overrides any values you may have entered for the PSU.

   For further info, see the following in the Help Center.
   - Configure the Form W-2
   - Configure the US Territorial Year-End Tax Forms
   - Configure Tax Reporting Units for the US
   - Options for Identifying Legal Reporting Units as Reporting Establishments
6. Click **Save and Close**.

Define Contacts for the Legal Reporting Unit

Use the Legal Reporting Unit task to enter employer contact details at the LRU level. This info is required by these HR reports.

- EEO-1 reports
- VETS-4212 reports
- New Hire reports

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

The HR reporting processes use these details from the TRU you associated with the legal employer. For further info, see the following in the Help Center.

- Equal Employment Opportunity Reporting
- New Hire State Report
- Veterans' Employment and Training Service Reporting

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

To define contacts:

1. Start the Legal Reporting Unit task.
2. Search for and select the LRU you want to update.
3. In **Contact Roles** in the **Contact Information** region, specify the following.
    - Role of the employee contact
    - First and last names of the employee contact
    - Job title code of the employee contact
    - Date the employee became the contact
4. On the **Contact Points** tab, define the contact points.

    For example, to define the contact point type as **Phone**, provide the area code, phone, extension, and date from which the phone info is valid.
5. Create other contact points by specifying their details.
6. On the **Contact Roles** tab, select the **Legal Role** column, and choose a legal role.

Note: The HR report processes use the contact details for a person with the HR representative role. The payroll report processes use the Payroll Tax Representative or Payroll Representative roles.

Define the Legal Addresses

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

No legal addresses are predefined. Use the Legal Addresses task to specify the address of record for all organizational units of the enterprise.

To define legal addresses:

1. Start the Legal Addresses task from your implementation project.
2. Click **Create**.
3. Define your addresses as needed.
4. Click **Save and Close**.

Specify Registrations for the Legal Reporting Unit

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

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

To define an LRU registration:

1. Start the Legal Reporting Unit Registrations task.
2. Create registrations for the following jurisdictions, and populate their key fields.

Jurisdiction	Field Name	Description
United States Federal Tax	EIN or TIN	Employer's federal EIN. Required for the proper function of some payroll processes, such as Active Periodic Payroll Results.
<state> Income Tax	Legal Reporting Unit Registration Number	Employer's state EIN.
<state> Unemployment Insurance	Unit Registration Number	Employer's state unemployment account number.

3. Provide any other required registration details.
   You must capture the correct federal and state EIN for your federal and state registrations. If you do not, your employee Forms W-2 and retiree Forms 1099-R may be incomplete or incorrect.
   The jurisdiction determines the default **Territory** value.
   Issuing Legal Authority displays a list of all legal authorities associated with the selected jurisdiction. For further info, see Jurisdictions for the US in the Help Center.
   Registered Address displays a list of all predefined legal addresses.
4. If the LRU interacts with other legal authorities, create additional registrations as appropriate.
5. Click **Save and Close**.

Set Up the Calculation Card

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

Tax info	Such as
Federal tax rules	• Supplemental calculation method for federal income tax (FIT) • Withholding rules for state income tax (SIT) • Period-to-date calculation method for FIT • Self-adjustment methods for federal unemployment tax (FUTA), Social Security, and Medicare
Federal tax overrides	Flat tax rate overrides for retirees
State tax rules	• Supplemental calculation method for SIT • Resident wage accumulation for SIT • Self-adjustment methods for state taxes • State unemployment insurance (SUI), disability insurance (SDI), and family medical leave insurance (FMLI) employee and employer rates • Pennsylvania residence tax info for out-of-state work locations • Voluntary Insurance Disability Plan (VPDI) implementation • Washington state family leave insurance (FLI)
Local tax rules	• Courtesy tax withholding rules for county and city tax • Supplemental calculation method for city and county taxes • Regular and Supplemental calculation methods for city and county taxes • Resident wage accumulation for city and county taxes • Self-adjustment methods for city and county taxes

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

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

Options for Identifying Legal Reporting Units as Reporting Establishments

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

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

If you're	What you need to do
Identifying an existing TRU as a reporting establishment	1. From **My Client Groups**, click **Workforce Structures**. 2. Click **Manage Reporting Establishments**.

If you're	What you need to do
	3. Click **Create**. 4. Indicate you want to select an existing TRU to define as a reporting establishment. 5. In **Reporting Establishment Description**, provide the required info. 6. Click **Next** to provide additional details, and then review and submit it.
Identifying a new TRU as a reporting establishment	1. From **My Client Groups**, click **Workforce Structures**. 2. Click **Legal Reporting Unit HCM Information**. 3. Define the legal reporting unit (LRU) and mark it as a TRU. 4. When you've finished defining the LRU, from **Workforce Structures**, click **Legal Reporting Unit HCM Information**. 5. Select your TRU for editing. 6. Select appropriate the **Tax Reporting Unit** and **Reporting Establishment** check boxes. 7. Provide any other details necessary for the TRU, and submit your work.
Defining LRUs for a nonpayroll implementation	• Identify each of your LRUs as a TRU. • If you have multiple LRUs, each must also be a reporting establishment. • If you have a single LRU, specifying the reporting establishment is optional. However, you must associate the TRU to a legal employer at the legal entity level. To associate the TRU to a legal employer, use the TRU for the **New Hire Report** field in the Legal Entity HCM Information task.

Related Topics

- Overview of Legal Reporting Unit Configuration for the US
- What's a reporting establishment?

Configure Tax Reporting Units for the US

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

There are several steps to defining and configuring a TRU.

What you want to do	How you do it
Designate an LRU as a TRU	Use the Legal Reporting Unit task in your implementation project.
Configure a TRU for retiree support	A TRU can represent either employees or retirees. If you have retirees in your organization, you have to define separate TRUs for them.
Configure a TRU for territory support	A TRU can represent continental US or territorial workers. If you have both in your organization, you have to define separate TRUs for them.
Recognize tax limits across multiple TRUs	If you have more than one TRU associated with a payroll statutory unit (PSU), the amounts the payroll process calculates toward maximum wage and tax limits are recognized across all of them. However, you need to perform some special set up steps if:

What you want to do	How you do it
	• There are federal limits that must be observed across your TRUs, such as Social Security wage limits. For further info, see Limit Taxes in the Help Center. • You have employees that work in multiple TRUs, and you regularly have to use person-level balances. • The PSU is for employees and not retirees.
Configure the TRU for payroll and HR reporting	Make sure you have provided all the info required for VETS, EEO, and New Hire reporting.
Configure the TRU for payroll processing by a third-party	If you're using a third party to help with payroll processing, you need to provide some additional info on the TRU. Use the Legal Reporting Units task.
Specify details required by the Affordable Care Act (ACA)	For detailed instructions on configuring a TRU for ACA reporting, see Cloud Human Capital Management for the United States: US Affordable Care Act on the Help Center.

For further info, see the following sections.

How to Designate an LRU as a TRU

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

This is because they define:

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

To define a TRU:

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Legal Reporting Unit HCM Information**.
3. Click **Tax Reporting Unit**.
4. If the TRU's legal employer isn't a PSU, choose a parent PSU.

   In this way, it's indirectly associated with a legal employer through the association with a PSU.

   If the legal employer is a PSU, this association happens automatically.

Special Steps for Defining Retiree TRUs

You can't assign retirees and employees to the same TRU. They must have separate TRUs.

A retiree TRU must be:

- Associated with a payroll statutory unit (PSU) designated only for retirees
- Unique to a 1099-R distribution code or combination of codes that your organization uses

  Retirees you add to this TRU receive the associated distribution code on their Form 1099-R.

To define a TRU for retirees:

1. Start the Legal Reporting Unit task in your implementation project, and open the TRU for editing.
2. Click **Tax Reporting Unit**, and click **Federal**.
3. Enter the following values.

In this section	For this field	Do this
Federal Year-End Reporting Rules	Person Type for Payroll Process	Select **Retiree**.
Third-Party Interfaces	Form 1099-R Client Identifier	Used by the Third-Party Tax Filing Interface. For further info, see the Oracle Cloud Human Capital Management for the United States: Third-Party Tax Filing Interface (1594079.1) on My Oracle Support.
Form 1099-R Distribution Code	Form 1099-R Distribution Code	Select the appropriate distribution code for this TRU. All people assigned to this TRU are assigned this code.
Form 1099-R Distribution Code	Total Distribution	Select **Yes** if all payments made from this TRU are total distributions. To identify specific payments as total distributions, use the **Total Distribution** field on the TRU's **Retiree Reporting Information** section of the retiree's Reporting Information card. For further info, see the following in the Help Center: o How the Quarterly Tax-Filing Extract for Retirees Identifies Total Distributions o Reporting Information Calculation Card for the US

Special Steps for Defining TRUs for US Territories

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

This configuration is similar to state configurations. However, there are additional steps you must perform for US territories.

For further info, see Tax Reporting Units for US Territories in the Help Center.

Recognize Tax Limits Across Multiple TRUs

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

- There are federal limits that must be observed across your TRUs, such as Social Security wage limits.
- You have employees that work in multiple TRUs, and you regularly have to use person-level balances.
- This doesn't apply to PSUs you set up for retirees.

If this is the case, you have to configure your organization to recognize balances across the TRUs.

1. Identify each company as a separate TRU.
2. Assign each TRU to the same PSU.
   Payroll relationships represent the highest level of balance aggregation. Employees working in multiple TRUs under the same PSU would have one payroll relationship.
   The payroll process includes person-level balances that span multiple TRUs. However, when an employee is in multiple PSUs, they have multiple payroll relationships. The person-level balances won't span across the different PSU payroll relationships.
3. Configure how the payroll process tracks your federal and state limit taxes.
   For further info, see Limit Taxes in the Help Center.

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

Configure the TRU for Payroll and HR Reporting

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

1. For New Hire Reporting, you associate a default TRU with a legal employer.
   a. From **My Client Groups**, click **Workforce Structures**.
   b. Click **Legal Entity HCM Information**.
   c. Select the legal employer.
   d. Click **Legal Employer**, and then click **Federal**.
   e. For **New Hire Report**, select your TRU.
   f. Submit your work.
2. For New Hire, EEO, and VETS reporting:

a. From **My Client Groups**, click **Workforce Structures**.
b. Click **Legal Reporting Unit HCM Information**.
c. Open the TRU you identified as the default for New Hire reporting.
d. Click **Tax Reporting Unit**, and click **Federal**.
e. In **Federal Year-End Reporting Rules**, specify the person type for payroll processing, either **Employee** or **Retiree**.
f. Specify the following in **EEO and VETS Reporting Rules**.

Field name	What you enter
Employment Category	Each employee to be included in HR reporting must have an employment category. Select the employment categories to be included in the report.
Establishment Employer Type	Select **Multiple** if you're a multiple establishment employer. Select **Single** if you're a single establishment employer.
Headquarters Establishment	Select your headquarters location.

> **Note:** The report processes ignore these values set for any other TRU.

g. Specify the following in **EEO Reporting Information**.

Field name	What you enter
Affiliated with Enterprise of 100 Employees or More	Select **Yes** to indicate that your entire company employs 100 or more employees. Select **No** if your entire company employs fewer than 100 employees.
Company Number	Enter the unique company identifier assigned by the EEOC.
Company Employs More than 100 Employees	Select **Yes** to indicate that your company employs more than 100 employees. Select **No** if your company employs fewer than 100 employees.
Government Contractor	Indicate if you're a government contractor.

h. Specify the following in **VETS Reporting Rules**.

Field name	What you enter
Parent Company	Specify your parent company headquarters.

Field name	What you enter
Type of Reporting Organization	Select **Prime Contract**, **Subcontractor**, or **Both**.
Company Number	Enter your unique company identifier.

i. Specify the info required for year-end and quarterly filings. On the Tax Reporting Unit tab, click **Federal**.

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

j. Click **Submit**.

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

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

Configure LRU Info for Third-Party Applications

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

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

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

- Oracle Cloud Human Capital Management for the United States: Third-Party Tax Filing Interface (1594079.1)
- Oracle Cloud Human Capital Management for the United States: Third-Party Involuntary Payments Interface (2043941.1)

To define info required by your third-party providers, as well as reports and processes for the US:

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Manage Legal Reporting Unit HCM Information**.
3. Click **Tax Reporting Unit**, and click **Federal**.
4. In **Third-Party Interfaces**, enter the following.

Field name	What you enter
Client Identifier	Employer client ID as provided by ADP. This ID be more than 14 characters long. Used with the Third-Party Tax Filing Interface and Third-Party Involuntary Payment Interface.
Branch Identifier	Value assigned to the branch by ADP. Used with the Third-Party Involuntary Payment Interface.

Related Topics

- What Are Limit Taxes
- Options for Identifying Legal Reporting Units as Reporting Establishments
- Overview of Legal Reporting Unit Configuration for the US
- What's a reporting establishment?

Geography Info

Manage Geography Info for the US

Oracle provides a comprehensive third-party geography data set as well as local taxing jurisdictions from official sources. We publish it monthly for the **Payroll** extension and quarterly for **Payroll Interface** and **Human Resources or None** extensions to incorporate any geography or jurisdiction changes.

To make sure the payroll process has the latest info, do the following.

What you want to do	This involves
Update your US geography info	1. Installing the geography data files For further info, see How to Install Geography Data Files in the Help Center. 2. Loading the geographies For further info, see How to Load US Geographies After Installation in the Help Center. 3. Resolving upload errors For further info, see How to Resolve Geography Upload Problems in the Help Center. 4. Reviewing the Load Geographies log file For further info, see How to Review the Load Geographies Log File in the Help Center.
Manage the geographies	See the following in the Help Center. • How Do I Verify My Geographies • How Do I View Geocodes • How Do I Restore Geographies I Disabled • How Do I Configure State Style Formats • How Do I Configure City Display Properties • How Do I Manually Add a Geography for the US

How to Install the Geography Data Files

Oracle Cloud Operations installs and loads these files for you as part of your regular patching cadence. You automatically receive a notification when the files are installed.

> **Note:** Pennsylvania political subdivision (PSD) codes, school districts, and townships are stored in a data table that's not accessible through the Geographies task.

How to Manually Load the Geography Data Files

The Load Geographies flow automatically runs once a patch installs. If you defer installing a patch, you must manually run the flow to uptake any geography updates.

1. Start the Submit a Flow task.
2. Select your US legislative data group (LDG).
3. Search for and select **Load Geographies**.
4. Set the following values.

Field name	What you enter
Enable Inactive Geographies	Indicate if you want to enable inactive geographies. If you disabled an Oracle-delivered geography, use this field to reactivate it. **Note:** This doesn't apply to geographies you configured yourself. If you removed a user-defined geography, you must redefine it.
Update Primary City Identifier	Indicate if you want to want to update your existing primary city identifiers to match with the primary city geography names provided by Oracle. For example, your geography tables have a primary city record called **Eielson Air Force Base**. However, the latest geography data set refers to the city as **Eielson AFB**. Select **Yes** to change the primary city record to the new name. Both names remain available in address LOVs. However, all payroll processes or reports use the new name.

5. Click **Submit**.

How to Resolve Geography Upload Problems

If you receive errors when you run the Load Geographies flow, you can use these diagnostic tests from the Diagnostic Dashboard to help identify what went wrong.

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

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

How to Review the Load Geographies Log File

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

To view the log:

1. Start the Scheduled Processes task.
2. Search for and select the these processes.
    - Load US Postal Code Geographies
    - Load US Geography Identifiers
    - Load US Master Geographies
3. Click **View Log** for each, and check them for useful info.

Related Topics

- Manage Geography Info for the US

How Do I Verify My Geographies?

To verify the geographies delivered in your database:

1. Start the Geographies task from your implementation project.
2. Select **US**, and click **Search**.

   The predefined entry for United States displays.
3. Select the green check for each type of geography data you want to verify.

Definition data	What it does
Geocoding Defined	Not used by Oracle Fusion Human Capital Management.

Definition data	What it does
Address Cleansing Defined	Not used by Oracle Fusion Human Capital Management.
Structure Defined	Hierarchical grouping of geography types for the US.
Hierarchy Defined	Displays the primary and alternate names for all US geographies. Selecting a state's link displays its primary and alternate names and codes. Ensure you have marked the proper name as primary. When you load the state geographies, they include both 2-character state abbreviations and full state names.
Validation Defined	Geography mapping and validation for a country's address styles, as well as its overall geography validation control.

4. If you find a missing locality, contact Oracle Support.

How Do I Restore Geographies I Disabled?

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

To restore a disabled geography:

1. Start the **Submit a Flow** task.
2. Select your US legislative data group (LDG).
3. Search for and select **Load Geographies**.
4. Enter a payroll flow name.
5. For **Enable Inactive Geographies**, select **Yes**. This restores all disabled geographies.
6. Click **Submit** and then **OK**.

This doesn't apply to user-defined geographies. You must manually redefine those.

How Do I Configure State Style Formats?

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

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

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

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

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

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

How Do I Configure City Display Properties

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

To change the display name for a city:

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

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

How Do I Manually Add a Geography for the US?

The Load Geographies for US process imports the jurisdiction codes provided by third-party sources.

Run this process periodically to uptake any geocode changes being delivered by your provider. It is very unusual for a geography to be missing, but in these cases, you can manually add it. Before you do, however, run the Load Geography for US process to make sure it hasn't already been added by an update.

> **Note:** You can't create a geography if a local tax has been associated with it. In these cases, your third-party source must provide the missing geocode. Oracle recommends you attempt to resolve the issue by running the Load Geography for US process.

To manually add a geography:

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

6. Select the node where the new geography will reside.

   If you're adding a county, select the parent state node. If you're adding a city, select the parent county.
7. Define the geography's primary code.

   a. Click **Create**.

      The Create page displays.
   b. In **Primary and Alternative Names**, click **Add**.
   c. Specify the name of the new geography. Leave the other fields with their default values.
   d. Click **Save**.
   e. Enter the following.

Field name	What you enter
Code	Enter the geography's geocode. This code must be unique within its parent geography.
Code Type	Select **Tax geography code**.
Data Provider	Leave the default setting.
Language	Leave the default setting.

8. Define the geography's secondary code.

   a. In **Primary and Alternative Codes**, click **Add**.
   b. In **Primary and Alternative Codes**, click **Add** again.
   c. Enter the following.

Field name	What you enter
Code	Enter the name of the new geography.
Code Type	Select the appropriate Primary value for this geography. For example, if you're adding a city, select **Primary City**.
Data Provider	Leave the default setting.
Language	Leave the default setting.

   d. Click **Save and Close**.

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

Field name	What you enter
Code	Enter the ZIP Code of the new geography.
Code Type	Select **FIPS Code**.
Data Provider	Leave the default setting.
Language	Leave the default setting.

    h. Add other ZIP Codes as needed.
10. When finished, click **Save and Close**.

Example of Manually Adding a Geography for the US

The Load Geographies flow imports the jurisdiction codes provided by third-party sources. You must run this process periodically to uptake any geocode changes being delivered by your provider.

However, in extremely rare cases where you require a geography not supported or delivered by your provider, you must define it manually, such as a new or missing city, county, or ZIP Code.

For example, to manually add a new city:

1. Start the Geographies task from your implementation project.
2. Perform a search with `United States` as the country name.
3. Select **United States** in the search results.
4. Select **Manage Geography Hierarchy** from the **Actions** menu.
5. Navigate the hierarchy down to the county level, and verify that the city is missing.
6. Select the county row, and click **Create**.
7. In the blank row in **Primary and Alternative Names**, enter the following.

Field name	What you enter
Name	Enter the name of the city.

Field name	What you enter
Data Provider	Leave the default setting.
Language	Leave the default setting.

If there's no blank row, click **Add**.

8. Click **Save**.
9. In **Primary and Alternative Codes**, click **Add**.
10. Enter the following.

Field name	What you enter
Code	Enter a geocode for the city. This code must be unique within its state and county hierarchy.
Code Type	Select **Tax geography code**.
Data Provider	Leave the default setting.
Language	Leave the default setting.

11. Click **Save**.
12. In **Primary and Alternative Codes**, click **Add** again.
13. Enter the following.

Field name	What you enter
Code	Enter the name of the city.
Code Type	Select **Primary City**.
Data Provider	Leave the default setting.
Language	Leave the default setting.

14. Click **Save and Close**.

Address Style Format Mapping for the US

The address style the UI enforces depends on your product extension.

This product extension	Uses this address style
Payroll	United States Tax Address Format
Human Resources or None Payroll Interface	United States Postal Address Format

To set the style for address validation:

1. Start the Geographies task from your implementation project.
2. Search for **United States**.
3. In the search results, click **Validation Defined** for the United States.
4. Select the appropriate address style, based on your product extension.

   The Address Style Format Mapping table updates with the current mapping of the style.
5. In **Geography Mapping and Validation**, select or deselect **Enable List of Values** as appropriate for each geography type.

   > **Note:** Don't change the predefined **Tax Validation** and **Geography Validation** settings. Oracle Fusion HCM applications don't use this functionality.
6. Click **Save and Close**.

File-Based Address Validation

Use the File-Based Address Validation flow to validate multiple employee addresses after you've modified them.

This flow does three things.

1. It validates the addresses for payroll and tax purposes.
   - Validates line 1 of the addresses
   - Formats the addresses to USPS standards
   - Adds additional or missing address attributes

2. It produces a report of these recommendations in output suitable for viewing in a spreadsheet application, such as Microsoft Excel.
   For invalid addresses, this file provides suggested alternates, including:
   - Payroll tax jurisdiction info
   - School districts and Political Subdivisions (PSDs) for Pennsylvania jurisdictions
     These columns display as null for non-Pennsylvania jurisdictions.
3. If the flow finds any missing geocodes, such as invalid state-county or state-county-city combinations, it automatically adds them to the TCA or localization tables. For further info, see Geographies for the US in the Help Center.

To run this report:

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group
4. Search for and select **File-Based Address Validation**.

Before You Start

You must have prepared an input file in CSV format with the following columns.

- StreetAddress1
- City
- State
- County
- ZIP Code
- Additional Details
  Use this column to provide notes to help you track this info. The flow doesn't transfer any of this content into the application.

Report Parameters

Upload File

Click this button to select and upload your CSV file.

Content ID

After you select and upload your CSV file, this field automatically displays your UCM ID.

Process Configuration Group

Select a process configuration group if needed.

Report Output

This flow produces an output file suitable for viewing in a spreadsheet application, such as Microsoft Excel. Use this file to identify invalid address combinations, so you can correct them.

> **Note:** If there are many corrections, consider building an HCM Data Loader file to upload the changes, rather than making individual edits.

The info in this file has the following organization.

Section	Columns and description
Employee Address	This section describes the address data you input into the flow. It includes these columns. • Address Line1 There is no support for Address Line 2 or 3. • City • County • State • ZIP Code • Additional Details This is the additional info you provided in the upload file.
Validation Details	This section provides the address data after it has been verified and corrected. It includes these columns. • Address Line1 • City • State • ZIP Code + 4 • PSD Code This column is null for addresses outside Pennsylvania. • School District Displays as “Out of state” for addresses outside Pennsylvania. • School District Name Displays as “Out of state” for addresses outside Pennsylvania. • Jurisdiction Name • Geocode • Status Code and Status Message

View and Edit Geography Information

You view and edit your US geocode info through the Geographies task. This is the info you updated using the Load Geographies flow.

1. Start the Geographies task from your implementation project.
2. In the **Name** field, type `United States`, and click **Search**.
3. Select **Manage Geography Hierarchy** from the **Action** menu. The Manage Geography table displays rows for all US states and territories.
4. Expand an entry's tree to view its subordinate entries, such as the counties, cities, and ZIP Codes.

5. Click an entry's link to view its geocode info in read-only mode.
6. Highlight an entry's row and click Edit to make manual changes to its geocode info.
7. Click **Done** when finished.

Related Topics

- Manage Geography Info for the US

Payroll Tax Info

How Do I Load Payroll Tax Info for the US

Oracle provides the tax info necessary for you to perform calculations and process payroll. Oracle Cloud Operations installs all required info as part of the regular patching.

Once the files are installed, you must run the Load Payroll Tax Information for US flow.

- Run it as part of the initial setup for your implementation project.
- Run it monthly for the Federal and State categories to ensure you receive the latest changes.
- Running it for the local categories can be resource intensive, so you may consider running it for them less frequently.

This flow updates the appropriate predefined calculation value definitions.

Depending on what category you select, this is what the flow does.

Tax category	What it does
Federal	Oracle Fusion Human Capital Management for the US provides predefined federal-level calculation value definitions, and new definitions can be added with each release. Every time you run this process, it may update them. There are multiple federal-level calculation value definitions, such as Social Security wage limits and Federal unemployment tax (FUTA) credit reduction rates.
State	State-level calculation value definitions are predefined, and new ones can be added with each release. Every time you run this process, it can update them. There are multiple state-level calculation value definitions, such as state unemployment insurance (SUI) and state disability insurance (SDI) wage limits.
City, tax district County School District	The first time you run this process, it delivers all local-level calculation value definitions. When you implement payroll from your legacy system, run this process for these levels before you convert any local W-4 data.

You can run tasks from the following locations.

- Define Earning and Deduction Definitions task grouping in your implementation project

- **Payroll** on **My Client Groups**

To make sure the payroll process has the latest info, there are some tasks you need to perform.

What you want to do	Here's how you do it
Update your tax info	1. Have the tax code data installed. For further info, see How Do I Install Payroll Tax Data Files in the Help Center. 2. Upload the tax info. For further info, see How Do I Upload Payroll Tax Info in the Help Center. 3. Optionally, upload any tax info for a specific region only. For further info, see How Do I Upload Payroll Tax Info for a Specific Region in the Help Center. 4. Resolve upload errors. For further info, see How Do I Resolve Payroll Tax Info Upload Problems in the Help Center. 5. Review the Load Payroll Tax Information log file. For further info, see How Do I Review the Load Payroll Tax Info Log File in the Help Center. You perform these operations on a monthly basis.
Manage the tax info	• Verify tax info For further info, see How Do I View My Payroll Tax Info in the Help Center. • Revert to an older version of the tax code For further info, see How Do I Revert to an Older Payroll Tax Code Version in the Help Center.

How Do I Install Payroll Tax Data Files

Oracle Cloud Operations installs these files for you. You automatically receive a notification when the file is available for installation.

Once the files are installed, run the Load Payroll Tax Information for US flow to update your tax data. Run it as part of your initial setup for the implementation project as well as monthly.

How Do I Upload Payroll Tax Info

After the geography data files are installed, use the Load Geographies for US flow to load data into your installation after an update.

1. In **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Search for your US legislative data group (LDG).
4. Search for and select **Load Payroll Tax Information for US**.

5. Specify the following values.

Field name	What you enter
Data Location	Location of the file to be used only if it's different from the default location.
Allow Upload of Older Version	Allow an older version of the data file to be uploaded, replacing newer data.
Geographic Category	Run for Federal and State each month. Run for City, County, and School District as needed. **Note:** Federal and state runs can take a couple hours to process. Lower-level runs can take longer.

6. Click **Submit**.

How Do I Upload Payroll Tax Info for a Specific Region

After the geography data files are installed, use the Load Geographies for US flow to load a specifc region's data into your installation.

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

How Do I Resolve Payroll Tax Info Upload Problems

If you receive errors when you run the task, run the US Payroll JIT Validation test from the Diagnostic Dashboard. For further info, see Diagnostic Tests for the US in the Help Center.

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

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

How Do I Review the Load Payroll Tax Info Log File

To view the log:

1. From the Navigator, select **Tools** and then **Scheduled Processes**.
2. Search for and select these processes.
    - Load US Postal Code Geographies
    - Load US Geography Identifiers
    - Load US Master Geographies

3. Click **View Log** for each, and check them for useful info.

How do I view my US payroll tax info?

Use the Calculation Value Definition task to view the following tax info.

- Federal tax info
- State tax info
- Pretax info

View Federal Tax Info

1. Start the Calculation Value Definitions task.
2. Select a US legislative data group (LDG).
3. In **Value Definition Group**, search for and select **Federal Tax Information** .

   This displays all federal-level value definition groups, such as:
   - Medicare employer tax rate
   - Social Security employee wage limit
   - Federal Unemployment Tax Act (FUTA) employer rate
4. Click a group's link to view its detailed info.

View State Tax Info

1. Start the Calculation Value Definitions task.
2. Select a US LDG.
3. In **Value Definition Group**, enter **State Tax Information**.
4. In **Name**, type the state you want to query and click **Search**.

   This displays all value definition groups for that state, such as the state unemployment insurance (SUI) wage limit.
5. Click a group's link to view its detailed info.

View Pretax Info

1. Start the Calculation Value Definitions task.
2. Select a US LDG.
3. In **Value Definition Group**, search for and select **Pretax**.

   This displays all deferred compensation value definition groups.
4. Click a group's link to view its detailed info.

How Do I Revert to an Older Payroll Tax Code Version

To revert to an older version:

1. Run the Load Payroll Tax Information for US flow.
2. Select **Yes** in **Allow Upload of Older Version**.

How can I override a location-based tax for the US?

To tax an individual at a location other than their home or work location, you need to override their tax address.

Do this by changing the relevant employee's work or home location.

How to override the home location

To change a person's taxing home address, you would use the Resident Tax Address type.

1. From **My Client Groups**, click **Show More**.
2. In **Employment**, click **Contact Info**.
3. Search for the person.
4. In **Addresses**, click **Add Address**.
5. Define the address using the **Resident Tax Address** type.

   You can use the guided search to select the address, or you can force the field to use the literal address you enter. It must be a valid physical address in the US.
6. Click **Save**.

How to override the work location

To create the override:

1. From **My Client Groups**, click **Show More**.
2. In **Employment**, click **Employment Info**.
3. Search for the person.
4. In **Assignment**, select **Edit**.
5. Select the address in **Work Tax Address**.

   You must select a valid physical address within the US.

Troubleshoot Address and Tax Issues for the US

You may encounter some issues when managing your geocode data.

How to check address and tax hygiene

Run the Payroll Data Validation Report to generate a list of workers with missing or noncompliant payroll data. Use this report to verify if the required data setup for all workers for the payroll run or process is complete.

How to troubleshoot address issues

Here are some issues you may encounter with your addresses.

What happened	How you can resolve it
Invalid address data	To identify potentially invalid address data:

What happened	How you can resolve it
	1. Run the Address Validation Process. 2. For any address identified by this process, check its Delivery Point Validation (DPV) on the US Postal Service's website. 3. If the address is valid, contact Oracle Support. **Note:** You can configure your addresses such that when you enter the ZIP Code, the other fields automatically populate appropriately.
Address is valid but doesn't report full geospatial roof-top accuracy	In the unlikely event this occurs: • If the state doesn't impose local taxes, you can disregard the partial geospatial accuracy. It won't affect payroll tax calculations. • If the state imposes local taxes: a. Review the derived jurisdictions, and set any necessary overrides. b. Contact Oracle Support, and provide details of the address record for investigation.
Geography upload problems	If you receive errors when you run the Load Geographies tasks, you can use these diagnostic tests from the Diagnostic Dashboard to help identify what went wrong. • US HR and Payroll Geography Loader Details Test • US HR and Payroll Geography Diagnostics Details • US HR and Payroll Geography Setup and Health Check Report • US HR and Payroll Geography Type Validity **Note:** You can configure your addresses such that when you enter the ZIP Code, the other fields automatically populate appropriately

Contact Oracle Support with any issues not resolved using the troubleshooting tips.

How to troubleshoot tax issues

There are a variety of issues you may encounter when uploading and using the tax info.

What happened	How you can fix it
Errors during payroll calculation	• Confirm you have properly associated a tax reporting unit (TRU) with the person's Tax Withholding card. • For workers in Pennsylvania, confirm they have **Residency Certificate** components on their tax cards. • To help identify the cause of the errors, run the payroll diagnostic tests from the Diagnostic Dashboard.
Error during payroll calculation that a geography code is missing or primary work address is missing	• To help identify the cause of the error, run the geography and payroll person diagnostic tests from the Diagnostic Dashboard.

What happened	How you can fix it
	• Check the **Regional Tax Info** component on the person's Tax Jurisdictions card. Ensure the unemployment insurance (SUI) state, disability insurance (SDI) state, and primary work address are populated correctly. These fields are predefined when you create the tax card association. If the work location is missing for the employee's assignment, these fields aren't predefined. You must manually define them.
Updated work Pennsylvania subdivision (PSD) code not reflected on the worker's PSD Component	The likely cause is a change to a location's PSD code in **Work Tax Jurisdiction** through the Locations task. Run the Sync Calculation Cards process.
Periodic Archive isn't archiving US balances	To help identify the cause of the problem, run the **US Federal Tax Registration Check for TRUs** test from the Diagnostic Dashboard. This identifies all TRUs that don't have the United States Federal Tax registration.
Payroll run produces inaccurate tax calculations	To help identify the cause of the problem: 1. Run the Tax Calculation Report. This shows detailed steps of the process's tax calculations. Compare its results against your expected results. 2. Run the Payroll Validation Report. Its results can help identify issues. 3. Verify the employee has a Tax Jurisdictions Card defined with the expected resident and work tax addresses. 4. Verify the derived tax jurisdictions, and confirm any overrides. 5. Verify the following for the affected employee. o They have a Tax Withholding card. o The tax card is associated with a TRU. o Their filing status and number of exceptions are correct. 6. Confirm that the appropriate state or local taxes have been applied, based on the employee's resident and work address. 7. Verify your federal and state wage basis rules.

What are the wage accumulation rules for the US?

You set the state and resident wage accumulation rules at the organization level.

- Use the Legal Entity Calculation Cards task to set them at the payroll statutory unit (PSU) level.
- Use the Legal Reporting Unit Calculation Cards task to set them at the tax reporting unit (TRU) level. This overrides the setting on the PSU.
- You can also set resident wage accumulation rules at the state and local levels for employees on their tax cards. This would override settings on the organization cards.

Note: The US Oracle Payroll Tax Engine (USOPTE) refers to wage accumulation rules as state interaction rules (SIRs).

The following tables describe the payroll process wage accumulation rules available for state and local.

State Wage Accumulation Rules

Payroll process rule	USOPTE SIR code	What it does
Use default behavior	Default	Executes the default behavior.
Credit resident tax by work tax, always accumulate wages	2	1. Calculates the resident tax. 2. Reduces the tax by the amount of work tax withheld. 3. Always accumulates wages for the residence, even if the resident tax is $0.
Credit resident tax by work tax, accumulate wages if taxed	3	1. Calculates the resident tax. 2. Reduces the tax by the amount of work tax withheld. 3. Only accumulates wages if there's a tax withheld.
No resident tax if work tax greater than zero, always accrue	4	1. Doesn't withhold residence taxes if there's a work tax. 2. Always accumulates wages.
No resident tax if work tax greater than zero	5	1. Doesn't withhold residence taxes if there's a work tax. 2. Always accumulates wages.
No resident tax if work tax on nonresident, always accrue	6	1. Doesn't withhold residence taxes if there's a work state tax. 2. Accumulates wages for the residence.
No resident tax if work tax on nonresident, accrue if taxed	7	1. Doesn't withhold residence taxes if there's a work state tax. 2. Accumulate wages only when there's a tax withheld.
No resident tax if work or residence location mismatch, accrue if taxed	8	1. Calculates work tax. 2. Disregards resident tax.
Credit resident tax by work tax, accumulate wages if work tax not withheld	10	1. Credits the resident state by the amount of work tax withheld. 2. Accumulates wages only if out of state tax isn't withheld.
No resident tax if work wages exist, always accumulate wages	13	1. Doesn't withhold residence tax if wages exist for the work state. 2. Always accumulates wages.
Calculate tax independent of all other jurisdictions	99	Calculates resident tax independent of work tax.

Local wage accumulation rules

Payroll process rule	USOPTE SIR code	What it does
Use default behavior	Default	Executes the default behavior.
Credit resident tax by work tax, always accumulate wages	2	1. Calculates the resident tax. 2. Reduces the tax by the amount of work tax withheld. 3. Always accumulates wages for the residence, even if the resident tax is $0.
Credit resident tax by work tax, accumulate wages if taxed	3	1. Calculates the resident tax. 2. Reduces the tax by the amount of work tax withheld. 3. Only accumulates wages if there's a tax withheld.
No resident tax if work or residence location mismatch, accrue if taxed	8	1. Calculates work tax. 2. Disregards resident tax.
Calculate tax independent of all other jurisdictions	99	Calculates resident tax independent of work tax.

Calculation Cards

What are organization calculation cards for the US?

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

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

> **Note:** Settings at the TRU level override those at the PSU level. Settings on the employee Tax Withholding card override both.

Organization calculation cards capture:

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

- Overrides such as a supplemental earnings tax rates

There are multiple steps involved with defining organization calculation cards.

What you want to do	How you do it
Create the PSU card	Use the Legal Entity Calculation Cards task from your implementation project.
Create the TRU card	Use the Legal Reporting Unit Calculation Cards task from your implementation project.
Define federal tax rules	The US Oracle payroll tax engine (USOPTE) provides all statutory compliance for the payroll process. However, you can set various federal tax rules on the PSU cards. You set these on the **Federal** component groups.
Define regional tax rules	You can set various regional tax rules on the PSU cards, such as for state, county, and city. You set these on the **Regional** component groups.

Self-Adjustment Methods for Tax Withholding

Use the self-adjustment methods to evaluate earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.

The various US taxation bodies often announce changes to their tax rates after the changes have gone into effect. You are responsible to ensure your employees' tax withholding values are properly adjusted.

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

Update Your Calculation Cards

The organization calculation cards capture this info for you at the legislative level.

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

You can set self-adjustment methods for these taxes.

- Federal Unemployment Tax Act (FUTA)
- Medicare
- Social Security
- State disability insurance (SDI)
- State unemployment insurance (SUI)

- County and city income taxes

There are several self-adjustment options available to you.

Adjustment method	What it does
Bypass collection	Payroll process doesn't calculate taxes for this organization. Use this if you as the employer are exempt from wage accumulation and taxes. **Note:** Wage accumulation would still occur for these taxes. • FUTA • Medicare • Social Security • SUI
No self-adjust	Payroll process doesn't perform any adjustments based on changes to tax rates. You are responsible for ensuring the correct withholding values for your employees.
Quarterly self-adjust	Payroll process performs adjustments for rate changes on a quarterly basis. Use this method in cases where a state changes its rate midyear. By checking each quarter individually to determine adjustments, it maintains the integrity of the calculations before the change. This is available for state taxes only.
Self-adjust	Payroll process performs adjustments for rate changes during the first available payroll run. It bases the withholding calculations on year-to-date earnings, rather than earnings within a pay period. This method provides the most accurate calculation.
Self-adjust at maximum	Payroll process takes no action until an employee reaches their yearly maximum wage limit. Then it performs any adjustments during the first available payroll run.

Related Topics

- Configure Organization Calculation Cards for the US
- Enterable Values on Calculation Cards
- Federal and Regional Taxes for the US
- State Unemployment Insurance Tax

Creating Calculation Cards for Deductions at Different Levels for the US

You can define and manage calculation cards at multiple levels, from an individual person to a payroll statutory unit (PSU). These cards capture info 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 info, from highest to lowest, is:

1. Personal tax card, such as employee or retiree (payroll relationship level)
2. Tax reporting unit (TRU) calculation card
3. PSU calculation card
4. Legislative data group (LDG) level

Note: You can define calculation cards for both PSUs and TRUs. The basic steps to define and manage these calculation cards are the same at all levels.

Use these examples to understand when you might define calculation cards at each level.

Personal Tax Card

Scenario: An employee elects to have extra pay withheld for federal income tax (FIT).

What task you use	What you do	Check here for more info
Calculation Cards	1. Depending on their person type, open the appropriate tax card for editing. o Tax Withholding o Tax Withholding for Pension and Annuity Payments 2. Enter the extra amount to withhold in **Additional Tax Amount**.	• How Calculation Cards Work Together for the US in the Help Center • Human Resources Cloud Administering US Involuntary Deductions in the Help Center • Human Resources Cloud Administering US End-of-Year Processing in the Help Center • Human Resources Cloud Administering US Absences in the Help Center • Oracle Cloud Human Capital Management for United States: HR Implementation and Use (1676530.1) on My Oracle Support

Tax Reporting Unit Card

Scenario: You have set the state unemployment insurance (SUI) employer rate for your LDG to 2.7%. However, the employer rate for California is 3.4%. You need to update the employer rate for your California TRU.

Payroll Statutory Unit Card

Scenario: After implementation, you want to modify the default contribution rates for your PSU.

What task you use	What you do	Check here for more info
Legal Entity Calculation Cards	Modify the contribution rates as needed.	• Configure Organization Calculation Cards for the US in the Help Center • Oracle Cloud Human Capital Management for United States: HR Implementation and Use (1676530.1) on My Oracle Support

Legislative Data Group

Scenario: You want to view selected rates for taxes subject to a limit, such as Medicare, Social Security, SUI, and state disability (SDI). These rates are predefined as calculation value definitions and aren't editable.

Note: You can view these rates through the Calculation Value Definitions task.

If you qualify for a special tax rate, such as for SUI, you would enter an override on the appropriate organization calculation card.

What task you use	What you do	Check here for more info
• Legal Reporting Unit Calculation Cards • Legal Entity Calculation Cards	Enter your special SUI tax rate.	• Configure Organization Calculation Cards for the US in the Help Center • Oracle Cloud Human Capital Management for United States: HR Implementation and Use (1676530.1) on My Oracle Support

FAQ for Calculation Cards

What happens when I edit my tax reporting unit calculation card info?

Entries you make using the Legal Reporting Unit Calculation Cards task override those you made with the Legal Entity Calculation Cards task.

Related Topics

- Creating Calculation Cards for Deductions at Different Levels for the US

US Territories

How to Set Up US Territories

If you're supporting employees in US territories, such as Puerto Rico and Guam, you must perform additional configuration in these areas.

- Legal Addresses

  For further info, see Legal Addresses for US Territories in the Help Center.
- Legal Reporting Units (LRUs)

  For further info, see Legal Reporting Units for US Territories in the Help Center.
- Tax Reporting Units (TRUs)

  For further info, see Tax Reporting Units for US Territories in the Help Center.
- Organization Calculation Cards

  For further info, see Organization Calculation Cards for US Territories in the Help Center.
- Tax Withholding Cards for Guam

  For further info, see Tax Withholding Cards for Guam in the Help Center.
- Deduction Elements for Puerto Rico

  For further info, see Deduction Elements for Puerto Rico in the Help Center.
- Year-End Reporting

  Before you can perform your year-end processing, ensure you have configured your organizations, and balances to process the year-end tax data and generate the year-end forms.

  This includes:

  - Document delivery preferences
  - Employee configuration
  - Form W-2PR box balance feeds
  - Form W-2PR box configuration, including the W-2PR control number
  - Third-party tax filing configuration

  For further info, see Human Resources Cloud Administering US End-of-Year Processing in the Help Center.

Related Topics

- Deduction Elements for Puerto Rico
- Legal Addresses for US Territories
- Legal Reporting Units for US Territories
- Organization Calculation Cards for US Territories
- Tax Reporting Units for US Territories
- Tax Withholding Card for Guam

Legal Addresses for US Territories

When using the Legal Addresses task to define your territorial legal addresses, make sure to select **United States** as the country. Don't use a territorial option, such as **Puerto Rico and Guam**.

Related Topics

- How to Set Up US Territories
- What's a legal address?

Legal Reporting Units for US Territories

When using the Legal Reporting Unit task to define the legal reporting units (LRUs) for the territory, do the following.

1. Select **United States** as the territory.

   Don't select a territorial option, such as **Puerto Rico and Guam**.

   This enables you to specify the federal employer identification number (EIN) for the United States Federal Tax jurisdiction.
2. Create separate LRUs for your territorial workers.
   - Don't assign both US and territorial workers to the same tax reporting unit (TRU).
   - Each territory must have its own TRU.

     For example, don't assign Puerto Rican and Guam workers to the same TRU.

Related Topics

- Legal Reporting Units for the US
- Overview of Legal Reporting Unit Configuration for the US
- How to Set Up US Territories

Tax Reporting Units for US Territories

Don't assign both US and territorial workers to the same tax reporting unit (TRU). You must set up one or more TRUs for each territory. Each territorial TRU must be specific to a single US territory.

If you have retirees in US territories, you must assign them to a separate TRU from the regular employees.

For each territorial TRU, in addition to any other standard configuration, do the following.

1. Start the Legal Reporting Unit HCM Information task from your implementation project.
2. In **Tax Reporting Unit**, select **Federal**.
3. In Territory Rules, specify the following.

Field name	What you enter
Territory Identifier	Select your territory.

4. Under **Tax Reporting Unit**, click the appropriate territory's link.
5. In **W-2 Reporting Rules Overrides**, enter the following as needed.

Field name	What you enter
Confirmation Number	Puerto Rico only. Specifies the confirmation number to be printed on the employee's 499 R-2 (W-2PR). The Hacienda issues this number upon successful submission of the corrected electronic year-end file.
Confirmation Number W2CPR	Puerto Rico only. Specifies the confirmation number to be printed on the employee's 499 R-2C (W-2CPR). The Hacienda issues this number upon successful submission of the corrected electronic year-end file.
Control Number Begin Control Number End	Puerto Rico only. Sets the range of control numbers to be printed on the employees' 499 R-2s (W-2PRs). Don't use these fields if you use ADP.

Field name	What you enter
	Note: There's no validation on these fields, so you must be careful when entering the range. Use the W-2 Register report to help you identify employees with missing control numbers. For further info, see W-2 Register in the Help Center. Use the Assign Control Number for Puerto Rico Employees flow to assign the numbers based on this range. For further info, see Assign Control Number for Puerto Rico Employees in the Help Center.
Employer Phone Number	Puerto Rico only.
Employer Email	Puerto Rico only.

6. Click **Submit**.

Related Topics

- Configure Tax Reporting Units for the US
- How to Set Up US Territories
- Assign Control Number for Puerto Rico Employees
- W-2 Register

Organization Calculation Cards for US Territories

You must create a calculation card for the territory at the payroll statutory unit (PSU) level and, if necessary, at the tax reporting unit (TRU) level.

For Puerto Rico, when specifying the state unemployment insurance (SUI) rate on either card, include the appropriate Puerto Rico Unemployment Tax Special Assessment Tax.

Note: The rate can't exceed the employer SUI maximum rate of 5.4%.

Related Topics

- What are organization calculation cards for the US?
- Puerto Rico State Unemployment Special Assessment Tax
- How to Set Up US Territories

Tax Withholding Card for Guam

Guam tax calculations are based on the federal withholding tables. To ensure proper withholding based on the employee's W-4 form elections, you must update the tax cards for your Guam employees.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for the person, and open their Tax Withholding card for editing.
4. Select Guam's Regional tax component.
5. Enter any W-4 employee tax withholding updates, such as changes to marital status, number of allowances, and so on.

   The tax withholding for Guam shows on reports and interfaces with a code of **GUSIT**.

Related Topics

- How to Set Up US Territories
- What Is the Tax Withholding Card

Deduction Elements for Puerto Rico

When defining deduction elements for Puerto Rico workers, you must create feeds for specific Puerto Rico W2 balances to your elements.

To ensure you're reporting complete data to your third-party tax filing provider, establish feeds for any balance required for year-end reporting.

1. Use the Balance Definitions task to establish balance feeds for all W-2PR balances applicable to your business.

   Every W-2PR box has one or more balances that you must feed.

   > **Note:** Form W-2PR box balances that begin with "W2" aren't automatically fed. You must create the feeds using the appropriate user-defined elements you have defined. For further info, see Form W-2PR Box Info in the Help Center.

2. Identify your user-defined deductions as belonging to Puerto Rico.

   For further info, see Define Balance Feeds for Year-End Forms in the Help Center.

Related Topics

- How to Set Up US Territories
- How to Define Balance Feeds for US Year-End Forms
- Form W-2PR Box Info

8 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

Overview of Profile Options

Profile options let you configure and control application data centrally. Administrators and setup users manage profile options in the Setup and Maintenance work area.

Profile options store various kinds of information. This table lists some examples:

Type of Information	Profile Option Setting Example
User preferences	Set preferences at the user level
Installation information	Identify the location of a portal
Configuration choices	Change UI skins and actions
Processing options	Determine how much information to log
Enabling the Activity Stream	Enable agents to see the Activity Stream

Profile Option Hierarchy Levels

Profile options can be set at different levels, such as site level or user level. The application gives precedence to certain levels over others, when multiple levels are set. The levels that are allowed to be set are preconfigured with the application.

In the predefined profile option levels, the hierarchy levels and their precedence are:

1. Site: This level affects all applications for a given implementation. The application gives it the lowest precedence when other levels are set. If no other levels are set, however, it's the highest level.
2. Product: This level affects a product or product family. The application gives it priority over Site level. However, if the user level is set, the user level takes precedence.
3. User: This level affects only the current user. It has the highest precedence, over Site and Product.

As a best practice, set site-level profile option values before specifying values at any other level (where available). The profile option values specified at the site-level work as the default until profile option values are specified at the other levels.

This table shows an example of the predefined profile option hierarchy levels and their priorities.

Level	Priority	Example
Site	Lowest	Currency for a site is set to Euros.

Level	Priority	Example
Product	Supersedes Site	Currency for the product or set of products is set to UK pound sterling.
User	Highest, supersedes Product	Currency for a user is set to US dollars.

You can find additional information about profile options in the related topics.

Related Topics

- Set Profile Option Values
- How can I access predefined profile options?

Create and Edit Profile Options

Use profile options to manage user preferences and control the general function of applications. For example, you can control user preferences involving language, date, time, currency, and other similar general settings.

You can create a profile option and also determine the level at which that profile option takes effect. You can also define the profile values for the profile option. The profile values appear on the Manage Administrator Profile Values page when you select the profile option.

Creating a Profile Option

1. In the Setup and Maintenance work area, go to the **Manage Profile Options** task.
2. On the page, click **Actions** > **New**.
3. On the Create Profile Option page, fill all the fields with relevant details with specific attention to the following:
    - Use the SQL Validation field to provide an SQL statement that displays the permissible profile values to be used. Using an SQL statement, you can select the values from another table and display them as a list of values.

      For example, to display the values **Yes** and **No** from a lookup table, you can use the following SQL statement:

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

      As a result, on the **Manage Administrator Profile Values** page, the profile values Yes and No are available for selection for that profile option.
    - You can specify a date range to keep the profile option active during that period. Beyond the specified duration, the profile option automatically becomes inactive. If you no longer require the profile option, you must manually delete it from the **Manage Profile Options** page.
4. Click **Save and Close**.
5. On the Manage Profile Options page, search for the newly created profile option and from the results, select it.

6. In the Profile Option Levels section, do the following:
    a. In **Enabled**, select the levels at which you want to enable the profile option.

        Note: You can enable a profile option at multiple levels, but a higher-level profile value overrides a lower-level value. Therefore, enable them only at the required levels.

    b. In **Updatable**, select the profile level at which you want implementors to have update privileges. Leave the check box deselected if you don't want the implementors to modify the profile values (they appear in read-only mode).
7. Click **Save and Close**.

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

Note:

- While creating and editing profile options and profile categories, you can translate the details to the preferred languages without changing the language session of the application. To specify the translations in all the enabled language rows, use the Translation Editor option. Once the updates are made, users can view the translated text for the specific details.
- If you want to access the profile option using REST API, you must add it to the Authenticated User Profile Option Values (`ORA_FND_AUTH_REST_ACCESS`) profile category.

Related Topics

- Hierarchy in Profile Levels
- Set Profile Option Values
- How can I enter or edit translated text?
- Profile Categories

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

Payroll Earning Periods

When you create a payroll definition, you generate a payroll earnings calendar based on the first period end date. The calendar assigns each payroll period a period name that includes the period number.

The statutory tax year must coincide with the dates generated for the earnings calendar

When you submit a payroll calculation, such as a QuickPay process, you select a payroll period. The process uses the process date for the selected payroll period. The process date is the payroll run date on the payroll definition.

You can view period numbers and start and end dates on the Person Process Results page and statement of earnings.

Related Topics

- How Pay Frequency Components Work Together
- Payroll Definitions for the US
- How to View the Statement of Earnings for the US
- View and Verify Payroll Run Results for the US

FAQs for Pay Frequency

When would I close a payroll period?

Closing a payroll period can prevent changes to recurring entries. Payroll periods aren't like General Ledger periods. Closing payroll periods isn't necessary.

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.

Consolidation Groups

Consolidation Groups

A consolidation group enables you to process the results of more than one payroll run in a single action. It's a grouping of payroll runs within the same period for the same payroll.

Use them to produce one set of:

- Results
- Reports
- Costing groups

These are runs you make in addition to your regular payroll runs. For example, use a consolidation group to make supplemental payments to a group of employees who quit the organization.

When you use the Payroll Definitions task to create a payroll, you assign it a default consolidation group.

There are no predefined consolidation groups, so you must create them yourself.

1. Sign in with a role that has implementation privileges, such as APPL_IMP_CONSULTANT.
2. From **My Client Groups**, click **Show More**.
3. In **Payroll**, click **Consolidation Groups**.
4. Click **Add Row**.
5. Enter a name, and select your US legislative data group.

   Adding the description is optional, but you might find it useful.
6. Click **Save**.

Related Topics

- Examples of Using Consolidation Groups
- Payroll Definitions for the US

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

Payroll Definitions

Payroll Definitions

Payroll definitions contain calendar and offset info, which determine when to calculate and cost payments.

Here's what's involved with defining payrolls.

What you want to do	How you do it
Choose a payroll period type	Payroll period types determine the interval at which you pay employees and retirees, such as weekly, biweekly, or semimonthly. Create at least one payroll definition for each payroll period type that you use to pay people. For example, to pay employees semimonthly, create a payroll definition using the semimonthly payroll period type, ensuring that tax calculations and other calculations produce correct results for those employees.
Create payroll definitions	When you create a payroll definition, the task generates the complete payroll schedule based on: • Selected payroll period type • Any offsets or calendar adjustments • Number of years A common scenario for creating a payroll definition is to replace one that's expired or end-dated. Before you can create a payroll definition, you must have defined the legislative data group (LDG) and the consolidation group. To create a payroll definition: 1. From **My Client Groups**, click **Payroll**. 2. Click **Payroll Definitions**. 3. Click **Create**. 4. Select your US LDG, and click **Continue**. 5. Enter the following in **Basic Details**. o Name Each payroll in the schedule must have a unique name. o Consolidation Group The payroll process requires each payroll to belong to a consolidation group.

What you want to do	How you do it
	○ Period Type ○ First Period End Date ○ Default Payment Method 6. Expand **Calculation Default Values**. 7. Under **Calculation Default Values**, don't provide values in **Use Information Hours From** and **Threshold Basis**. Any values you enter are ignored. 8. If needed, select an overtime period override. This defines the starting date and length of the overtime period used in the calculation of overtime. 9. Select a premium calculation rate, if required. This determines if the payroll process uses the blended rate or the higher of the blended or normal rate for overtime calculations. 10. Click **Add Row** in **Valid Payment Methods**, and add one or more organization payment methods (OPMs) that are valid for this payroll. You can select any OPM defined for the LDG that's linked to this payroll definition. The default payment method is **Check**. 11. Click **Next**. 12. Provide the required info on the Payroll Offsets page, including: ○ Number of years for this calendar For further info, see Define the Payroll Definitions for the US in the Help Center. ○ Any date configurations 13. Review the info on the Payroll Calendar page. 14. Provide the suspense and default accounts on the Costing of Payroll page. 15. Review summary info on the Payroll Review page. 16. Click **Submit**.
Assign people to payrolls	After you have saved a payroll definition, assign employees and retirees to it. 1. From **My Client Groups**, click **Show More**. 2. Under **Payroll**, click **Payroll Relationships**. 3. Search for the person, and add them to a payroll definitions. You can use HCM Data Loader to assign multiple employees.
Modify a payroll definition	When you modify a payroll definition, the task adjusts the payroll schedule based on the values you have modified. A common scenario for modifying an existing payroll definition is to increase the number of years and generate more payroll time periods that extend the payroll calendar. **Note:** You can extend the payroll calendar by increments of 10 or fewer years. The names of the payrolls in the payroll schedule are unique. You can edit the generated payroll names, but you must ensure they're unique within the payroll definition.

Related Topics

- Define the Payroll Definitions for the US
- Payroll Earning Periods for the US
- Create Payroll Definitions

Manage Payroll Definitions

When you create or modify payroll definitions, the Payroll Definition task generates a calendar of payroll periods based on your selections.

The choices you make for the following values determine the resulting schedule of payroll periods.

This option	How it impacts payroll period scheduling
Effective start date	This identifies when the payroll definition is available for person data. The start date must be on or before the earliest date of any historical data that you want to load.
First period end date	This is the end date of the first payroll period that the task generates for the payroll definition.
Number of years	This represents how many years of time periods the task generates, starting from the beginning of the first payroll period, which is determined by the first period end date.
Offsets	Depending on the payroll period type, you can elect for your payroll cycle events to occur on specific dates, or to have the task calculate dates based on offsets from period start or end dates.
Specific date adjustments	Once you generate the payroll time periods, you can further adjust any specific calendar dates, as needed.

For further info, see the following sections.

Effective Start Date

The effective start date is the first date that the payroll definition is available for person data. The start date must be on or before the earliest date of any historical data that you want to load.

For example, for a payroll starting on 01-JAN-2013 with 5 years of historical payroll data to load, you set the start date of the payroll definition to 01-JAN-2008.

The effective start date 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 task generates for the payroll definition.

The first period end date is typically based on the date of implementation, tax year, benefits enrollments, or a particular payment cycle.

For example, if your weekly payroll work week is Saturday through Friday, and your first payment date is on 06-JAN-2012, you could use 30-DEC-2011 as your first period end date.

Number of Years

The number of years you enter represents how many years of time periods the task generates, starting from the beginning of the first payroll period, which is determined by the first period end date.

This table shows an example for a semimonthly payroll definition.

Effective start date	First period end date	Number of years	Generated time periods
01-JAN-1986	15-JUN-2014	5	01-JUN-2014 to 31-MAY-2018

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

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

Offsets

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

Here's the predefined payroll cycle events you can offset.

Date	Meaning
Cutoff Date	Final date that payroll info can be entered for the payroll period.
Payslip Availability Date	Date on which payees can view payslips.
Payroll Run Date	Date the payroll calculation process uses to retrieve effective values, such as employee details. Override this value by specifying a process date when you submit a payroll process.
Date Earned	Date on which the payroll process processes element entries for the payroll run. The date earned must be within the effective dates of the payroll period.
Date Paid	Date the person is marked as paid. This is also the date used for tax purposes. For check payments, this is the date that the check is valid for cash or deposit. For electronic funds transfer (EFT) payments, it's the transfer date and used on the EFT file.

Dynamic Offsets

When creating a payroll definition, you can use dynamic offsets for payroll cycle events. All of the predefined payroll time periods you can use support dynamically generated dates for offsets. Using dynamic offsets, you can offset each payroll cycle event by a specified number days before or after the start or end date.

Offset day types	Offset value	Base date values
Number of calendar days	After	Period End Date

For example, you might want to set the cutoff date 3 work days before the payroll end date. This offset accommodates differences in the number of days in the payroll period and also accounts for weekends and holidays.

Fixed-Date Offsets

The predefined Monthly (Calendar) payroll time period supports using both dynamic offsets and fixed-date offsets. Using fixed dates, you can adjust the exact date of each of the payroll cycle events for the first payroll period. Any adjustments that you make are reflected in the payroll calendar for subsequent payroll time periods.

For example, if you set the cutoff date as the 25th of the month, then all payroll periods in the calendar inherit those offsets.

Specific Date Adjustments

Once you generate the payroll time periods, you can further adjust any specific calendar dates, as needed.

For example, if you know of a particular bank holiday that falls on a payment date, you can adjust the dates manually on the payroll calendar's time period. You can make these adjustments when creating a payroll definition or subsequently, as long as the time period is in the future.

Adjust the dates of an existing time definition on the **Time Periods** tab on the Payroll Definitions task.

Related Topics

- Payroll Earning Periods for the US
- Periodicity Conversion
- Create Payroll Definitions

Salary Bases

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

For further info, see Human Capital Management Cloud Implementing Workforce Compensation in the Help Center.

Create the Salary Basis

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

To create the salary basis:

1. Sign in with a role that has compensation administrator privileges, such as CMP_MGR_ALL.
2. From **My Client Groups**, click **Compensation**.
3. Click **Salary Basis**.
4. Click **Create**.
5. Select the element you want to use for the salary basis and provide the required info.
6. Click **Save and Close**.

Assign the Salary Basis

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

1. Sign in to the application with a role that has compensation manager privileges, such as CMP_MGR_ALL.
2. From **My Client Groups**, click **Compensation**.
3. Click **Change Salary**, and then search for and select the employee.
4. In **Salary Details**, enter a salary basis and salary amount.
5. Click **Continue**.
6. 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

- Guidelines for Loading Salary Basis Components Using HCM Data Loader
- How Salary Basis Options Work With Salary Amounts and Calculations
- How You Store the Salary Amount and Pass It to Payroll for Processing

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
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	Old Value: 5/27/13

Column	Semimonthly Value	Monthly Value
	New Value: 11/27/13	New Value: 5/28/13

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

Related Topics

- How Payment Methods and Payroll Definitions Work Together
- Payroll Definitions
- Overview of 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

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

FAQ 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
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: Explained

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

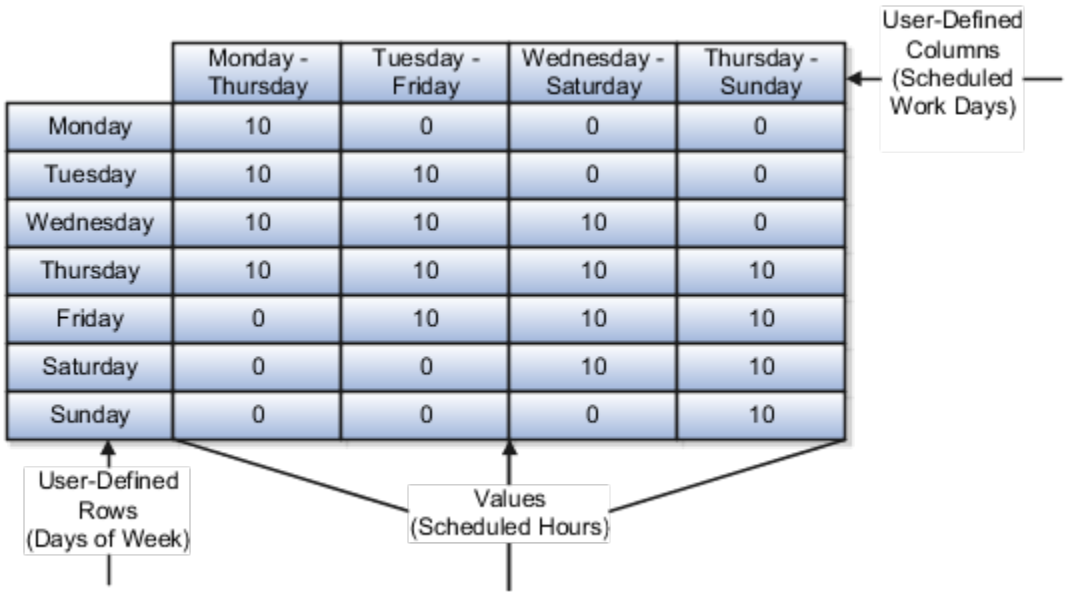
Your organization works on a 10 hour a day, four day a week rotating schedule. The employees work for four consecutive days, 10 hours a day.

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

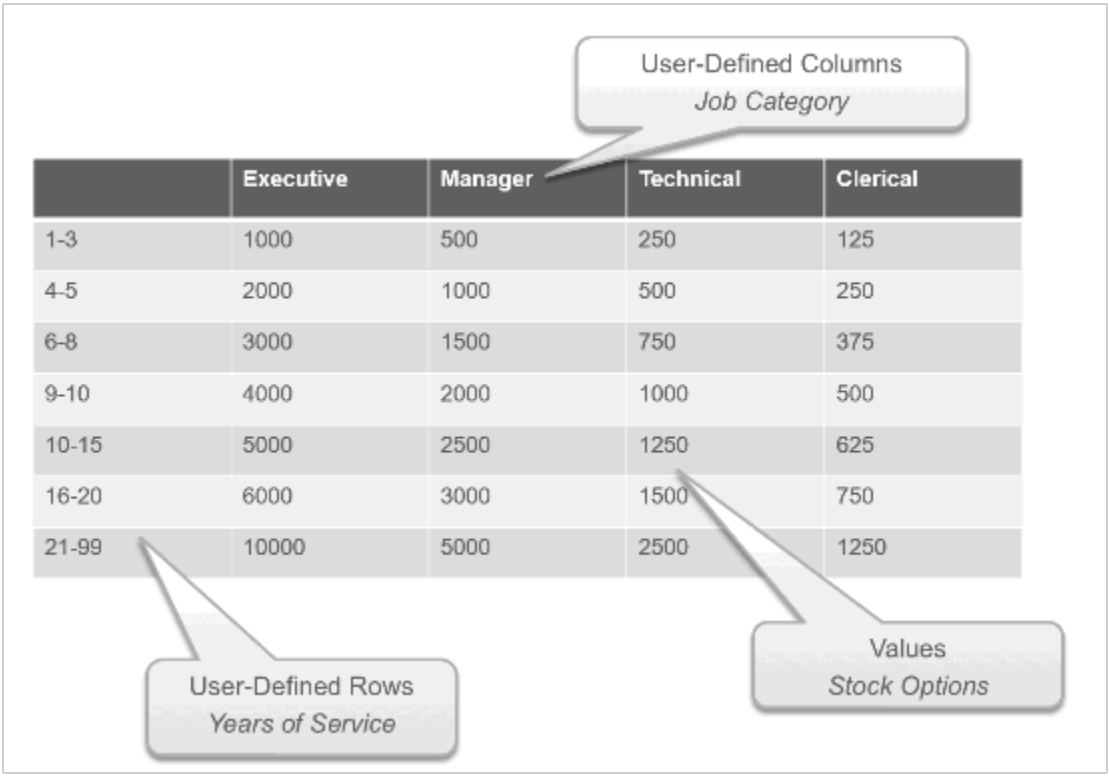
Each year, your organization offers stock options to its employees. The amount of options depends on years of service and job category of the employee receiving them.

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.



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.
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

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).

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
```

Diagnostic Reports

Diagnostic Tests for the US

Use these tests to diagnose a variety of issues including payroll employment setup issues.

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

Note: The tests use JavaScript and require that you use a JavaScript-enabled browser to run them.

To run the diagnostic tests:

1. Sign in with an application implementation consultant job role.
2. From the **Navigator**, click **Show More**.
3. Under **Tools**, click **Diagnostic Dashboard**.
4. Search for a type of test in **Search for Tests**.

   For example, enter `Payroll` as the test field name.
5. Choose the test you want to run.
6. View the results of the test in the browser.

You can also search for and run other types of diagnostic tests such as benefits or HR.

Affordable Care Act Tests

Person Benefit Diagnostic Report

This test uses these parameters.

- Person ID

  To run the report for a single person, enter the person ID, otherwise enter 0 to report on all employees.
- Effective date

It displays these details.

Value name	What it means
Person	Full name of the employee.
Address	Employee's home address.
Assignment	Current work assignments.
Benefits relationship	Current benefits relationships.
Periods of service	Periods covered by benefits.

Value name	What it means
Potential life events	List of life events for the combination of the life event name, life event occurred date, and benefit relationship.
Life events	Events include birth, death, adoption, marriage, divorce.
Enrolled program	Benefits program name.
Enrollment result date	Enrollment date that the employee enrolled for benefits or the date they were given the benefits.
Enrollment result amount	Lists the rate name, element entry ID, rate value, annual value, benefit relationship ID, and other items related to the amount of the enrollment.
Dependent enrollment	Benefits enrollment for the employees or dependents.
Beneficiary enrollment	Benefits enrollment for the employee's beneficiary.
Action items for suspended enrollments and interim details	List of outstanding action items for an enrollment including the due dates.
Payroll	Lists the elements related to payroll including the program, plan, element ID, element name, and value.

Calculation Card Tests

US Payroll Person Calculation Card Diagnostics

This test uses these parameters.

- Developer Mode
- person_number

It provides diagnostic info related to a person's calculation cards. This applies to any personal calculation card, including their Tax Withholding card, Involuntary Deductions card, and Employee Earnings Distribution card.

The result of running the test is a series of tables that identify the type of info and the source table name. The following table lists the available info for this test.

Details	Source Table Name
Payroll relationship details	PAY_PAY_RELATIONSHIPS_DN PAY_PAY_RELATIONSHIPS_F
Payroll relationship group details	PAY_REL_GROUPS_DN
Assigned payrolls	PAY_ASSIGNED_PAYROLLS_DN

Details	Source Table Name
Calculation card details	PAY_DIR_CARDS_F
Calculation card components details	PAY_DIR_CARD_COMPONENTS_F
Calculation card components flexfield details	PAY_DIR_COMP_DETAILS_F
Calculation card flexible relationships	PAY_DIR_CARD_COMP_DEFS_F
Calculation card value definitions and range items	
Reporting card details	PAY_DIR_REP_CARDS_F
Reporting card usage information	PAY_DIR_REP_CARD_USAGES_F
Pay element entries details	PAY_ELEMENT_ENTRIES_F
Pay element entry values	PAY_ELEMENT_ENTRY_VALUES_F
Pay entry usages	PAY_ENTRY_USAGES
Pay dates information	PAY_DATES
Pay time definition details	PAY_TIME_DEFINITIONS

US Payroll Tax Card Component Validation

This test uses the **Developer Mode** parameter and checks whether employees have the tax card setup correctly.

It produces a list of employees. If the list has no entries, all employees have a Tax Withholding card. Otherwise, the output lists the name and payroll relationship number for each employee that meets this criteria.

- US Employees who don't have a tax card
- US Employees with tax cards but no associations listed
- Employees with multiple associations created for the same payroll assignment, possibly in multiple tax cards
- Employees with duplicate tax cards
- Multiple tax reporting units (TRUs) with the same assignment

US Payroll Tax Card Validation

This test uses the **Developer Mode** parameter and checks whether employees have the tax card component setup correctly.

The results list:

- Employees with a Pennsylvania presence that don't have Pennsylvania regional component
- Employees that have a Pennsylvania component, but the component details are incorrect
- Employees with a tax card where the state unemployment insurance (SUI) state is missing
- Employees with a tax card that lists Federal components, such as Medicare or unemployment insurance, but the corresponding component detail records are missing
- Employees whose effective work addresses don't match the tax card primary address for SUI or state disability insurance (SDI)
- Employees that have invalid tax card associations

Earnings Validations

US Payroll Elements Setup Validation

This test uses the **Developer Mode** parameter and checks whether your Standard Earnings elements are correctly configured.

The results list:

- Standard Earnings elements that aren't feeding the Overtime Earning balances
- Standard Earnings premium elements that are incorrectly marked as Process Separate

Geocode Maintenance

US HR and Payroll Geography Loader Details Test

This test uses the **Developer Mode** parameter and checks the geography loader audit info.

The results list:

- How many times the loader ran
- The count of rows in the hz_geographies table
  This entry tells you the number of geographies loaded.
- Geocode count of hz_geographies
  This entry tells you the number of unique geocodes that are used.
- Geography file version
- Audit state
  This table lists the ID, type such as state, and name such as CA.
- User-created data
  This info includes the geography type, such as city, the name, such as Airport Mail Facility, the use such as shipping, the country code such as US, and geography element such as United States.

US HR and Payroll Geography Diagnostics Details

This test uses these parameters.

- Developer mode

- State name
- County name
- City name
- ZIP Code

It checks the geography details based on the given parameters.

The results list a table of entries that match the parameters.

- Geographies that match the given parameters
- The ZIP Code for the required state and county parameters

US HR and Payroll Geography Setup and Health Check Report

This test uses the **Developer Mode** parameter and checks the HR and payroll geography configuration details.

The results list:

- Payroll license of the customer
- Duplicate cities in the geography data
- Duplicate counties in the geography data
- Duplicate states in the geography data
- Checks that the geography hierarchy is properly defined
  The hierarchy is country, state, country, city, and ZIP Code.

US HR and Payroll Geography Type Validity

This test uses these parameters.

- Developer mode
- Geography type (such as city)
- Geography value (such as a city name)

It requires one of the following: a city, county, state, or ZIP Code. It lists the geography info for the selected parameter.

The results list:

- Geography identifier and city values
- Geography ID and country
- Customer state
- Customer county

Involuntary Deductions Validations

Involuntary Deductions Card Validation

This test uses the **Developer Mode** parameter and checks employees with involuntary deduction configuration issues.

It checks these details.

- Employees with the same values for order amount payee and external processing fee payee

- Employees with the same reference number for child and spousal support card components
- Employees having only an additional order amount override
- Employees having duplicate override entries in card components

US e-IWO HDL Loader Diagnostic Details

This test uses these parameters.

- Developer Mode
- Inbound File Name
- Start Date
- End Date

This test checks the e-IWO data integrity info after HCM Data Loader process.

It provides details about the following e-IWO items.

Details	What it means
Order information	Lists data related to the involuntary order.
Amount information	Lists the amounts for the involuntary order.
Process information	Lists info related to the inbound load process.
e-IWO deduction card information	Lists the processes loaded to the involuntary deduction card.

US e-IWO Process Diagnostic Details

This test uses these parameters.

- Developer Mode
- Inbound File Name
- Start Date
- End Date

It provides these diagnostic details of the e-IWO process.

- Acknowledged orders with a status of Failed or Undefined
- Transferred orders with a status of Failed or Undefined
- Employer-initiated orders with an undefined last payment amount
- Invalid orders without a primary error code
- Invalid orders due to inconsistent frequency codes (Error Code X)
- Invalid orders due to inconsistent obligation amounts (Error Code X)
- Valid orders that didn't transfer after the specified number of days

This test checks for orders that weren't transferred within number of days specified by the involuntary order. It specifies within how many days to start withholding after the income withholding start date.

- Valid orders that weren't acknowledged after 15 days
- Employee-initiated orders that weren't acknowledged after 15 days
- Order issuing state isn't the same as work state

US e-IWO UDT Configuration Diagnostic Details

This test uses the **Developer Mode** parameter and checks the e-IWO data configuration info in the user-defined table.

It checks these details.

- Spousal or child support element name missing
- Order amount payee name missing
- Primary federal employer identification number (EIN) missing or multiple federal EIN values
- Different value set with multiple legislative data groups (LDGs).

Payroll Batch Loader Tests

US Payroll Batch Diagnostics

This test uses these parameters.

- Developer Mode
- Batch name
- Payroll relationship number

It provides diagnostic data on batch loader runs, including batch name, task, header details, and payroll relationship number.

Pennsylvania Act 32 Checks

US Payroll JIT Diagnostics

This JIT test uses these parameters.

- Developer Mode
- person_number

It provides the JIT-related school district and Political Subdivision (PSD) details related to a given person number. It checks for an employee with a Pennsylvania Residency Certification card and validates those details.

US Payroll JIT PSD CODE Diagnostics

This test uses these parameters.

- Developer Mode
- psd_code

It provides the JIT-related school district and PSD details related to a given PSD code and validates those details.

Workforce Record Diagnostics

US Payroll Person Diagnostics

This test uses these parameters.

- Developer Mode
- person_number

It provides diagnostic data related to a given person number, including their full employment history and all changes made to their employment data.

The result of running the test is a series of tables that identify the type of info and the source table name. The following table lists the available info for this test.

Details	Source Table Name
Person ID, email address, phone number, and other details	PER_ALL_PEOPLE_F
Date of birth	PER_PERSONS
Legislative information	PER_PEOPLE_LEGISLATIVE_F
Working relationships	PER_PERIODS_OF_SERVICE
Payroll relationships	PAY_PAY_RELATIONSHIPS_DN
Assignment details	PER_ALL_ASSIGNMENTS_M
Location details	HR_LOCATIONS_ALL_F
Location address details	PER_LOC_ADDRESS_USAGES_F
Address details	PER_PERSON_ADDR_USAGES_F
Legal employers	PER_LEGAL_EMPLOYERS
Payroll statutory units	PER_PAYROLL_STATUTORY_UNITS
Tax reporting units	PER_TAX_REPORTING_UNITS

Workforce Structure Tests

US Federal Tax Registration Check for TRUs

This test uses the LDG as a parameter. It displays the list of TRUs that don't have the United States Federal Tax registration.

Related Topics

- Add Rules to Data Validation Reports
- Data Validation and Audit Reports

Diagnose Setup Issues for the US

If you have the Application Implementation Consultant job role, you can use these tests to help identify set up issues.

Test name	What it does
Payroll Payslip Setup Validation	Checks paper-based payslip setup. No printer connection is required.
Payroll Person	Shows details about a specified person to assist in diagnosing issues at the person level.

Note: These tests use JavaScript and require that you use a JavaScript-enabled browser to run them.

To run them:

1. Sign in with an Application Implementation Consultant job role.
2. Go to the Diagnostic Dashboard.
3. Search for **Payroll** in **Search for Tests**.
4. Choose the test you want to run.
5. View the results of the test in the browser.

Related Topics

- Add Rules to Data Validation Reports
- Data Validation and Audit Reports
- Diagnostic Tests for the US

9 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**.

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.

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.
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**.

Formula Compilation Error	Description
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.

Formula Execution Error	Description
	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.
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.

10 Set Up Balances

Balance Definitions

Example of Loading Payroll Balance Attribute Definitions

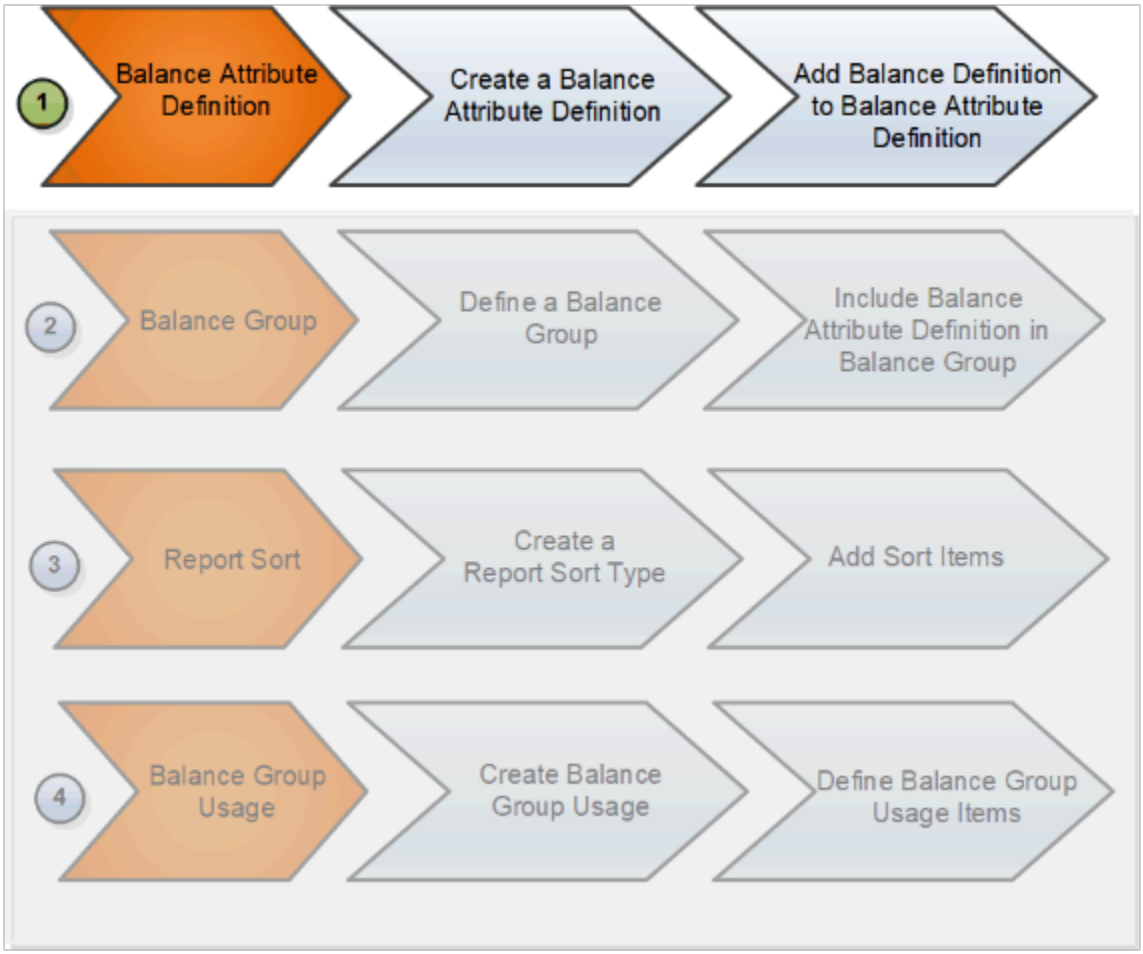
Use HCM Data Loader to define balance attribute definitions and add balance definitions to it.

A balance attribute definition is a set of balance definitions that you can include in your balance group. It identifies the criteria for including the balance definitions. Use a balance attribute to associate a balance definition to a balance attribute definition.

In this example, the Vision Corp Company wants to report a particular statutory deduction balance for employees. To do this, first you create a balance attribute definition Employee Taxes Attribute Definition and add these balance definitions to it.

Balance Type	Balance Dimension
FIT Withheld	Relationship Tax Unit Period to Date
Medicare Employee Withheld	Relationship Tax Unit Period to Date
Social Security Employee Withheld	Relationship Tax Unit Period to Date
FIT Withheld	Relationship Tax Unit Quarter to Date
Medicare Employee Withheld	Relationship Tax Unit Quarter to Date
Social Security Employee Withheld	Relationship Tax Unit Quarter to Date
FIT Withheld	Relationship Tax Unit Year to Date
Medicare Employee Withheld	Relationship Tax Unit Year to Date
Social Security Employee Withheld	Relationship Tax Unit Year to Date

As this figure shows, you create a balance attribute definition and then add balance definitions to it.



The next step is to create a balance group and add this balance attribute definition to the balance group. Later you create a report sort type to sort the balance values and then create a balance group usage for your balance group.

Creating a Balance Attribute Definition

In the **BalanceAttributeDefinition.dat** file you define a balance attribute definition and add balance definitions to it.

```
METADATA|BalanceAttributeDefinition|LegislativeDataGroupName|AttributeCode|UserAttributeName|Alterable|
Description
MERGE|BalanceAttributeDefinition|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|Employee Taxes Attribute
 Definition|Y|Attribute definition for Employee Taxes reporting
METADATA|BalanceAttribute|LegislativeDataGroupName|AttributeCode|BalanceCode|BalanceDimensionCode
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_FIT_WITHHELD|Core Relationship Tax
 Unit Period to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_FIT_WITHHELD|Core Relationship Tax
 Unit Quarter Year to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_FIT_WITHHELD|Core Relationship Tax
 Unit Year to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_MEDICARE_EMPLOYEE_WITHHELD|Core
 Relationship Tax Unit Period to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_MEDICARE_EMPLOYEE_WITHHELD|Core
 Relationship Tax Unit Quarter Year to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_MEDICARE_EMPLOYEE_WITHHELD|Core
 Relationship Tax Unit Year to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_SOCIAL_SECURITY_EMPLOYEE_WITHHELD|
Core Relationship Tax Unit Period to Date
```

```
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_SOCIAL_SECURITY_EMPLOYEE_WITHHELD|
Core Relationship Tax Unit Quarter Year to Date
MERGE|BalanceAttribute|Vision Corporation US LDG|EMP_TAXES_ATTR_DEFN|US_SOCIAL_SECURITY_EMPLOYEE_WITHHELD|
Core Relationship Tax Unit Year to Date
```

Related Topics

- Balance Groups
- Example of Loading Payroll Balance Groups
- Example of Loading Report Sort Type and Report Sort Items
- Example of Loading Payroll Balance Group Usages
- Create Balance Groups and Usages

Example of Loading Report Sort Type and Report Sort Items

Use HCM Data Loader to create a report sort type and items that defines how balance values are sorted in the report.

Let's look at this example. Vision Corp creates a report sort type and specifies the sort type as Static Order to define the sequence that displays the balance results.

Before You Start

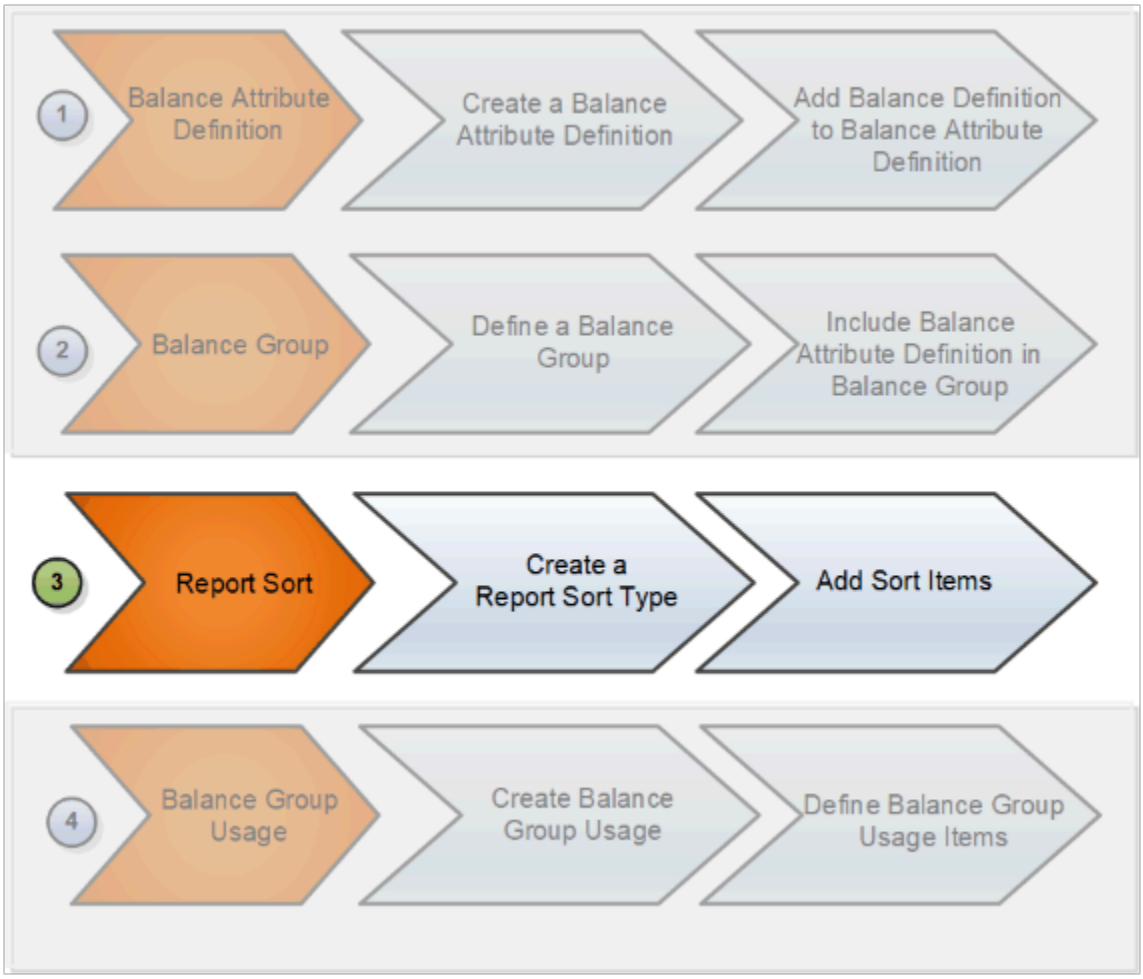
Ensure that you have completed these tasks:

- Created the balance attribute definition **Employee Taxes Attribute Definition**.

  For more information on how to create balance attribute definitions, refer to the topic: Loading Balance Attribute Definitions.
- Created the balance group **Employee Taxes Balance Group** and included the balance attribute definitions to it.

  For more information on how to create and load a balance group using HCM Data Loader, refer to the topic: Loading Payroll Balance Groups.

As this figure shows, you create a report sort type and add sort items to it.



After creating a report sort type, you create a balance group usage for your balance group and define the balance group usage items. For more information on how to create a balance group usage using HCM Data Loader, refer to the topic: Loading Payroll Balance Groups Usage.

Creating a Report Sort Type

Use the **ReportSort.dat** file to create a report sort type with sort method as Static Order.

```
METADATA|ReportSortType|LegislativeDataGroupName|ReportSortCode|SortName|Description|SortMethod|SortLevel|
SortOrder
MERGE|ReportSortType|Vision Corporation US LDG|EMP_TAXES_STATIC_SORT|Employee Taxes Sort|Static sort order
 for Employee Taxes|Static Order|Balance Type|Ascending
```

Creating Report Sort Items

Use the **ReportSortItem.dat** file to specify the order in which balance types are displayed for the balance group usage.

```
METADATA|ReportSortItem|LegislativeDataGroupName|ReportSortCode|SequenceNumber|BalanceCode
MERGE|ReportSortItem|Vision Corporation US LDG|EMP_TAXES_STATIC_SORT|10|US_FIT_WITHHELD
MERGE|ReportSortItem|Vision Corporation US LDG|EMP_TAXES_STATIC_SORT|20|US_MEDICARE_EMPLOYEE_WITHHELD
MERGE|ReportSortItem|Vision Corporation US LDG|EMP_TAXES_STATIC_SORT|30|US_SOCIAL_SECURITY_EMPLOYEE_WITHHELD
```

Related Topics

- Balance Groups
- Rules for Editing Balance Groups and Their Usages
- Example of Loading Payroll Balance Group Usages
- Create Balance Groups and Usages

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.

Flow Submission Parameters	Purpose
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

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 • 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

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
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
- Create Balance Groups and Usages
- Balance Group 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
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

Action	Predefined Balance Group	User-Defined Balance Group
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.

Example of Loading Payroll Balance Groups

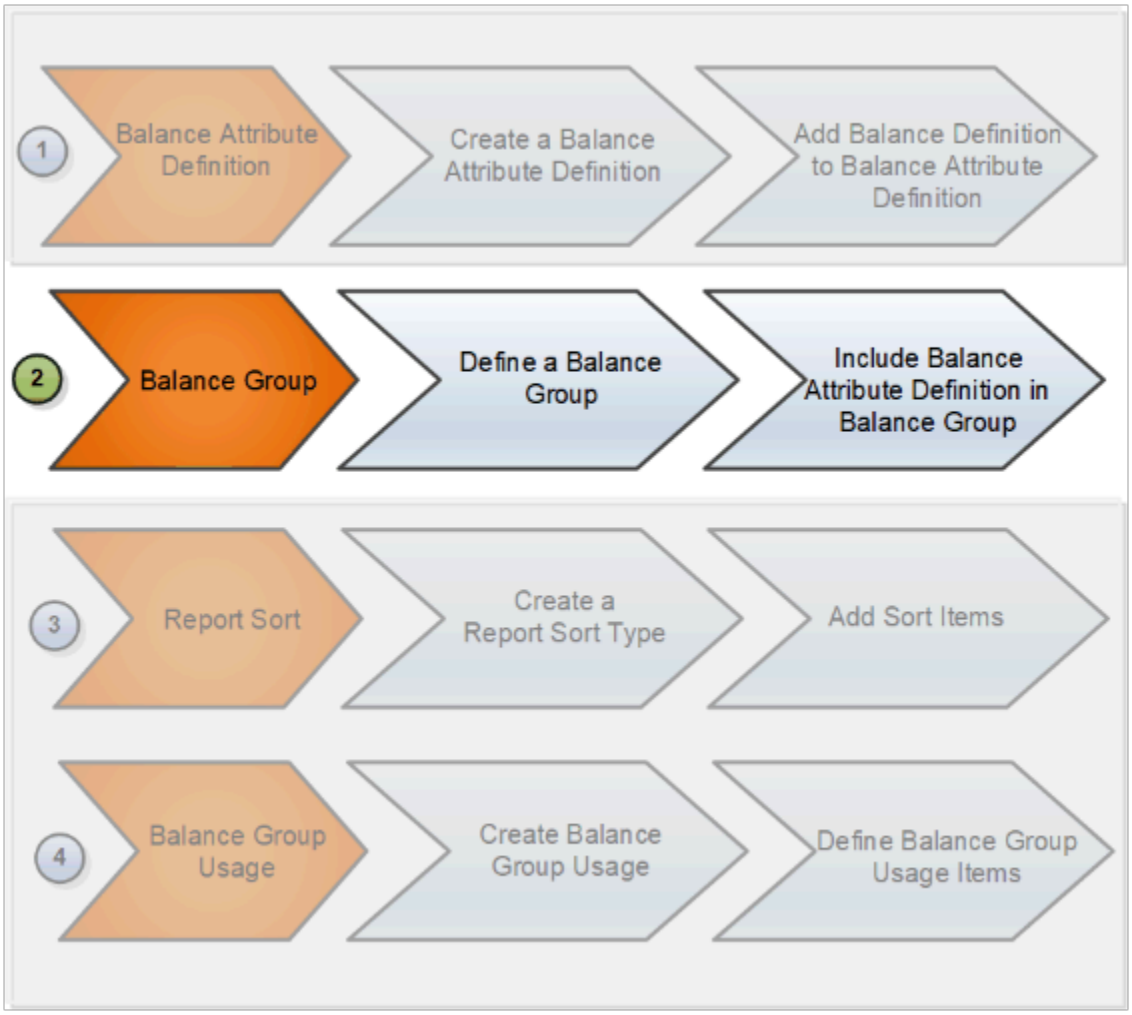
Use HCM Data Loader to define payroll balance groups for viewing and reporting payroll balances. You can define a balance group either at the employee level or at group level.

In this example, you define a payroll balance group **Employee Taxes Balance Group** and add the balance attribute definition to it.

Before you do this, ensure that you have created the balance attribute definition **Employee Taxes Attribute Definition**. Also, you must have added balances to the attribute definition.

Refer to the topic: Loading Payroll Balance Attribute Definitions for more information on creating a balance attribute definition.

As this figure shows, you define a balance group and later include the balance attribute definitions to it.



After defining a payroll balance group, the next step is to create a sort list to sort the balance items. Then you create a balance group usage and add this balance group to a balance group usage.

Creating a Payroll Balance Group

Use the **BalanceGroup.dat** file to create a payroll balance group and include the balance attribute definition in it.

```
METADATA|BalanceGroup|LegislativeDataGroupName|BalanceGroupCode|GroupName|Description|
BalanceCategoryRestricted|BalanceDimensionRestricted
MERGE|BalanceGroup|Vision Corporation US LDG|EMP_TAXES_BAL_GRP|Employee Taxes Balance Group|Balance group
 for Employee Taxes reporting|N|N
METADATA|BalanceGroupInclusion|LegislativeDataGroupName|BalanceGroupCode|AttributeCode
MERGE|BalanceGroupInclusion|Vision Corporation US LDG|EMP_TAXES_BAL_GRP|EMP_TAXES_ATTR_DEFN
```

Related Topics

- Balance Groups
- Rules for Editing Balance Groups and Their Usages
- Example of Loading Payroll Balance Group Usages
- Example of Loading Report Sort Type and Report Sort Items
- Create Balance Groups and Usages

Example of Loading Payroll Balance Group Usages

Use HCM Data Loader to create balance group usages that represent an instance of a balance group, such as report, extract definition, and so on.

For every balance group, you must define at least one balance group usage. But you can define multiple usages for a balance group.

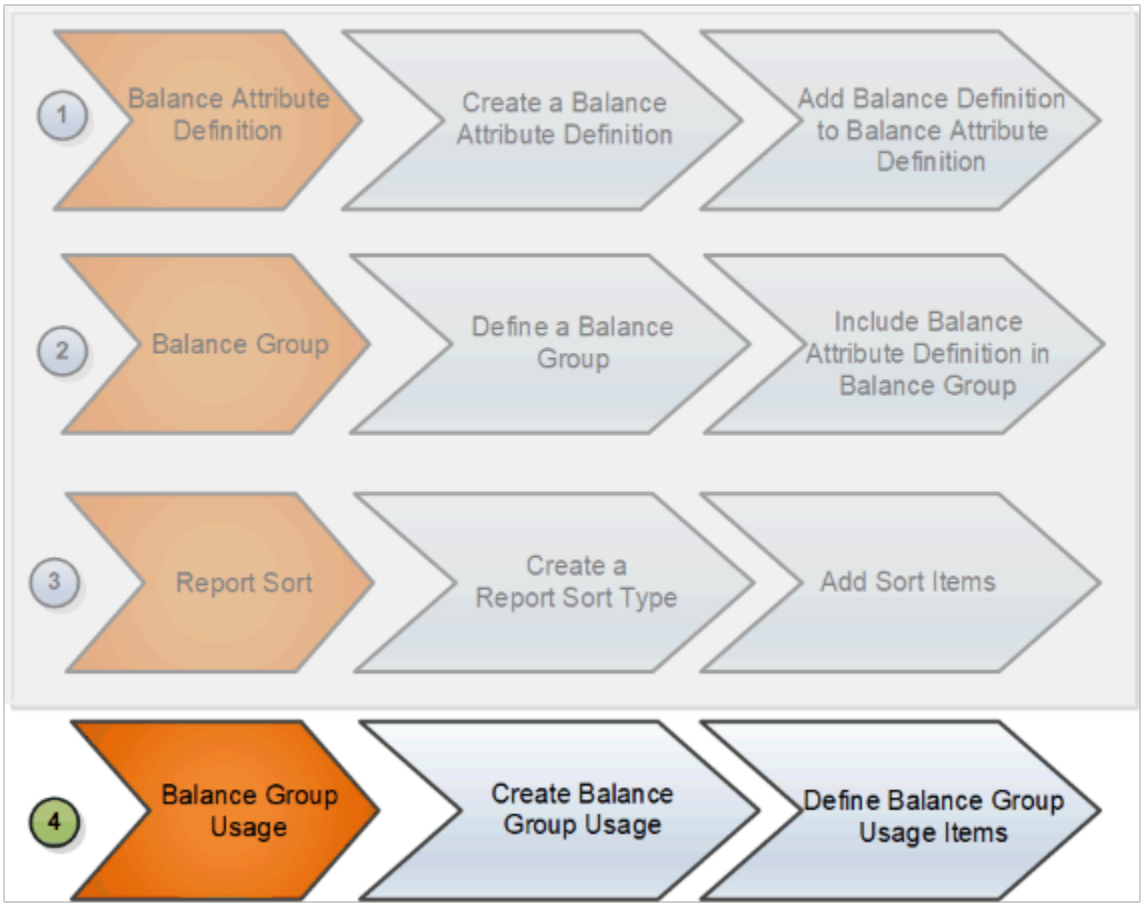
Vision Corp creates a balance group usage to use the **Employee Taxes Balance Group** balance group for their employee taxes report. Include your report sort type **Employee Taxes Sort** to this balance group usage.

Before You Start

Ensure that you have completed these tasks:

- Created the balance attribute definition **Employee Taxes Attribute Definition**. For more information on how to create balance attribute definitions, refer to the topic: Loading Balance Attribute Definitions.
- Created the balance group **Employee Taxes Balance Group** and included the balance attribute definitions to it. For more information on how to create and load a balance group using HCM Data Loader, refer to the topic: Loading Payroll Balance Groups.
- Created the Report Sort Type **Employee Taxes Sort** and added the sort items to it. For more information on how to create report sort type, refer to the topic: Loading Report Sort.

As this figure shows, you create a balance usage for the balance group and define the balance group usage items.



Creating a Payroll Balance Group Usage

This example **BalanceGroupUsage.dat** file creates the Employee Period Taxes Balance group Usage in a matrix format. Each balance group usage item defines a column in the Employee Period Taxes balance results matrix.

```
METADATA|BalanceGroupUsage|LegislativeDataGroupName|BalanceGroupUsageCode|GroupUsageName|Description|
FormatType|BalanceGroupCode|ReportSortCode
MERGE|BalanceGroupUsage|Vision Corporation US LDG|EMP_PERIOD_TAXES|Employee Period Taxes|Employee taxes
 matrix with static sort order|MATRIX|EMP_TAXES_BAL_GRP|EMP_TAXES_STATIC_SORT
METADATA|BalanceGroupUsageItem|LegislativeDataGroupName|BalanceGroupUsageCode|SourceType|Position|
BalanceDimensionCode
MERGE|BalanceGroupUsageItem|Vision Corporation US LDG|EMP_PERIOD_TAXES|Balance Dimension|10|Core
 Relationship Tax Unit Period to Date
MERGE|BalanceGroupUsageItem|Vision Corporation US LDG|EMP_PERIOD_TAXES|Balance Dimension|20|Core
 Relationship Tax Unit Quarter Year to Date
MERGE|BalanceGroupUsageItem|Vision Corporation US LDG|EMP_PERIOD_TAXES|Balance Dimension|30|Core
 Relationship Tax Unit Year to Date
```

Related Topics

- Balance Groups
- Rules for Editing Balance Groups and Their Usages
- Create Balance Groups and Usages

Balance Exceptions

Balance Exceptions

Balance exceptions define the criteria you use to identify overpayments, underpayments, and trends. The variance may also be a result of incorrect setup or adjustment.

Create a balance exception and the Balance Exception Report, and then run the Balance Exception Report. Run the report to generate a report output that displays payroll balance results as per the defined exception criteria. This information helps you detect the balance adjustments needed to correct payments or correct the balance setup.

Use the **Balance Exceptions** task to create a balance exception and consider these components when you create a balance exception.

Comparison Types

When you're creating balance exceptions, select a comparison type. Comparison types define the period that you use to determine whether an exception has occurred. For example, select Average in months as the comparison type and enter 3 in the Comparison Value field. In this scenario, the current month value is compared to the average of the previous three months.

Some comparison values are preset and you can't change them:

- Current month, Current period, Current quarter, and Current year always have a comparison value of 0.
- Previous period and Previous month have a comparison value of 1.

This table lists each comparison type that you can select and explains how it operates as a basis of comparison.

Comparison Type	How it Operates as a Basis of Comparison
Average in months	Compares the current month to date balance with the average of previous months to date. Only available if you have a Month to Date balance dimension for assignment or payroll relationship.
Current month	Compares values to the total for the current month to date balance. Doesn't use any previous month as a basis for comparison. Only available if you have a Month to Date balance dimension for assignment or payroll relationship.
Current period	Compares values to the total for the current period to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Period to Date balance dimension for assignment or payroll relationship.
Current quarter	Compares values to the total for the current quarter to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Quarter to Date balance dimension for assignment or payroll relationship.
Current year	Compares values to the total for the current year to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Year to Date balance dimension for assignment or payroll relationship.

Comparison Type	How it Operates as a Basis of Comparison
Previous month	Uses the previous month as a basis of comparison. Only available if you have a Month to Date balance dimension for assignment or payroll relationship.
Previous period	Uses the previous period as a basis of comparison. Only available if you have a Period to Date balance dimension for assignment or payroll relationship.

Note: **Comparison Value** field is shown for Average in Months. It is hidden for other comparison types.

If you select a Comparison Type of Average in months, you must enter a Comparison Value to determine the number of months that are averaged for the comparison.

Variance Operators

Variance operators enable you to specify the precise range of variance that you want to report on.

For example, you want to determine the monthly car allowance paid to employees in excess of 600 more than the previous month for the same payroll relationship. You can setup a balance exception for this example using these values:

- Comparison type is previous month
- Balance name is monthly car allowance
- Dimension name is relationship month to date
- Previous month amount is 500
- Variance value is 100

This table describes the effect of using each of the variance operators for balance exception reporting. The Results column indicates the effect of selecting each variance operator.

Variance Operator	Balance Exception Report Output	Results (based on sample data)
Variance, plus or minus **Note:** This operator applies only for comparison types of 'Previous', like Previous Months or Previous Period, as well as 'Average in Months'.	All relationships whose balance value either exceeds or are less than the previous month amount by the amount or percentage stated in the variance value.	Returns all relationships with a value less than or equal to 400 and greater than or equal to 600.
Less than	All relationships that are less than the previous month amount by the amount or percentage stated in the variance value.	Returns all relationships with a value of less than 400.
Less than or equal	All relationships with a current value either equal to or less than the previous month	Returns all relationships with a value of 400 or less.

Variance Operator	Balance Exception Report Output	Results (based on sample data)
	amount by the amount or percentage stated in the variance value.	
Equal	All values that are exactly equal to the higher limit or the lower limit of the variance value.	Returns all relationships with a current value equal to 400 or 600.
Greater than	All relationships that are greater than the previous month amount by the amount or percentage stated in the variance value.	Returns all relationships with a value of more than 600.
Greater than or equal	All relationships with a current value either equal to or greater than the previous month amount by the amount or percentage stated in the variance value.	Returns all relationships with a value of 600 or more.
Does not equal	All relationships with a current value not equal to the previous month amount.	Returns all relationships with a value other than 500.

Select a Balance Type and Balance Dimension that specifies the balance value that's evaluated for the exception. You can only select balance dimensions that are compatible with the Comparison Type you specified. For example, if the Comparison Type is Current Period, you can only select balance dimensions of type 'Period to Date'.

Severity Level

Severity Level controls the order in which the exceptions are displayed in the balance exception report. Balance exceptions with the higher severity are displayed first (1 being the highest).

Using Formula Variance Type

You can write a fast formula using the Balance Exception formula type to return a variance value that you can use for identifying exceptions for a balance. To use this feature, select the Formula variance type on the Create Balance Exception page and then select the formula that you created from the **Formula Name** field.

Using Balance Variance Type

To reference two balances in the balance exception equation, select the **Balance** variance type on the Create Balance Exception page and then select the **Target Balance Name** and **Target Dimension Name**. This is applicable only when the Comparison Type is of type Current Month, Period, Quarter, or Year. The context values for **Target Dimension Name** are inherited from the **Dimension Name** you select on the left-hand side of the Create Balance Exception page as the first dimension. No additional contexts are set for **Target Dimension Name**.

Run Dimension Support

Define balance exceptions based on a balance value for a payroll run. For example, use these values to define an exception to track employees with salary greater than $2,000 in the current run.

- Comparison Type: Current Run
- Dimension: Relationship Tax Unit Run
  Define the following to support this exception rule:
- Balance Name: e.g. Salary

- Variance Type: Amount
- Variance Operator: Greater Than
- Variance Value: 2,000
- Severity: 1

When you run the Balance Exception Report, the generated report shows employees having salaries greater than $2000 for the current run only.

Flow Connector Rule Support

The Balance Exception Report supports flow connector rules to view the consolidated run balances for connected flows. For example, during a payroll period, you run several off-cycle QuickPay runs to accommodate ad hoc late payments or bonus payments to your employees or payment settlements for terminated employees. You also run the usual on-cycle payroll runs for the same payroll period.

Use flow connectors to consolidate the flows. When you run the enhanced Balance Exception Report, the generated report honors the defined flow connector rules and displays run balances for all the connected flows.

Examples of Balance Exceptions

Here are two examples to illustrate two different types of balance exceptions that you may want to include in your balance exception report.

Track Increases in Commissions

Your company plans to train incoming sales staff on productivity techniques. To identify exceptional sales staff in the organization, you can run a report that lists workers whose commissions increased by 25 percent compared to their averages for the previous 3 months. You can set up a balance exception using the values in this table.

Field	Values
Balance Exception Name	Commission Increases Over 25 Percent
Comparison Type	Average in Months
Comparison Value	3
Balance Name	Commissions
Dimension Name	Relationship Month to Date
Variance Type	Percent
Variance Operator	Greater than

Field	Values
Variance Value	25
Severity Level	3 **Note:** Enter a lower value for a high priority exception.

Track Gross Earnings

Before you certify the current payroll run, as a payroll manager, you may want to know if the current gross payments are in line with the previous payroll run. The previous run verified the established levels of earnings that the company wants to maintain for the remainder of the quarter. This table provides an example of the values you enter to set up a balance exception to find out if the current gross earnings exceeds the gross earnings of the previous period by more than 10 percent:

Field	Values
Balance Exception Name	Gross Earnings
Comparison Type	Previous period
Comparison Value	1
Balance Name	Gross Earnings
Dimension Name	Relationship Period to Date
Variance Type	Percent
Variance Operator	Greater than
Variance Value	10
Severity Level	1 **Note:** Enter a lower value for a high priority exception.

Balance Exception Report

Balance Exception Report for the US

Run the Balance Exception Report flow as part of your year-end balancing and reconciliation process.

Use this report to identify:

- Incorrect tax amounts withheld
- Wage over-the-limit situations
- Any improperly calculated tax liability balances, such as Social Security, Medicare, or Federal Unemployment Tax Act (FUTA)

This report returns output in PDF, CSV, or Microsoft Excel output. The balances detected by this flow might require adjustment.

For further info, see the following on My Oracle Support.

- Oracle Cloud Human Capital Management for the United States: Balance Exception Report (2325520.1)
- Oracle Cloud Human Capital Management for the United States: Balance Adjustments (1600728.1)
- Oracle Cloud Human Capital Management for the United States: Batch Balance Adjustments (2053488.1)

To assist with reconciliation and balancing of your data, run this report before generating your Employee W-2s and running the Third-Party Tax Filing Interface.

To run this report:

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group.
4. Search for and select **Balance Exception Report**.

Before you start

Complete any payroll action, such as a payroll run, QuickPay, reversal, balance adjustment, or balance initialization.

Report parameters

Payroll Flow

Name of your payroll flow.

Process Start Date

If you're including Run balance values, select the start date. This date must coincide with the date of the selected payroll run.

Process End Date

Select the effective date for balance retrieval. When capturing balance values across a range of dates, this represents the end of the range.

Balance Exception Report

Select the balance report you want to generate.

- Deferred Compensation Over the Limit
- Federal Exceptions
- State Exceptions

Payroll

To run this report, select the specific payroll here.

Consolidation Group

To run the report against the members of a consolidation group, select it here.

Payroll Statutory Unit

To include all employees in a payroll statutory unit (PSU) in your report results, select it here. Click **Search** to locate the PSU.

Leave blank to run against all PSUs.

Tax Reporting Unit

To include all employees in a tax reporting unit (TRU) in your report results, select it here.

Leave blank to run against all TRUs.

Location

To include all employees assigned to a location in your report results, select it here.

Payroll Relationship Group

Select the payroll relationship group name if you have defined one. Payroll relationship groups limit the persons processed for payroll, data entry, and reporting.

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

Process Configuration Group

Select the process configuration group name if you have defined one. This parameter is used for logging and reporting purposes.

Report Category

Select the output format for the report.

- CSV
- Microsoft Excel
- PDF

Report output

This report produces an output report in the format you select. It contains all live payroll balances for matching employees, filtered by parameters and time-frames. If no employee balances match your report parameter criteria, the report returns an output file with no data.

How to Create a Balance Exception Report

In this example, you create a balance exception and run the Balance Exception Report to compare the total payments made to your employees for the current payroll period with the payments you made in the previous payroll period.

Before you create and run the Balance Exception Report, you must create a balance exception for this example.

Create a Balance Exception

Let's look at the steps to create a balance exception to compare the net pay amounts for the current and the previous period.

1. On the Home page, click the **Balance Exceptions** quick action under the **My Client Groups** tab.
2. Click **Create**.
3. Select a legislative data group and click **OK**.
4. Complete the fields as shown in this table:

Field	Value
Balance Exception Name	Compare Net Payment Amounts to the Previous Period
Comparison Type	Previous period
Comparison Value	1 For comparison types that begin with Previous, the application enters 1 as the default value and makes it read only.
Balance Name	Net Payment
Dimension Name	Relationship Period to Date
Variance Type	Percent
Variance Operator	Greater than
Variance Value	10
Severity Level	1

Field	Value
	Note: Enter a lower value for a high priority exception.

5. Click **Submit**.

Create a Balance Exception Report

1. On the Home page, click the **Balance Exceptions and Reports** quick action under the **My Client Groups** tab.
2. Click **Create**.
3. Select the same legislative data group you selected in the previous task and click **OK**.
4. Complete the fields as shown in this table:

Field	Value
Exception Report Name	Compare Net Payment Amounts to the Previous Period
Consolidation Group	Select a value to restrict this exception report to a specific consolidation group. Leave blank to not restrict the output or to decide at the time of report submission.
Payroll	Select a value to restrict this exception report to a specific payroll. Leave blank to decide at the time of report submission, where payroll is a required parameter.

5. Click **Add**.
6. Select the **Compare Net Payment Amounts to the Previous Period** balance exception name and then click **OK**.
7. Click **Submit**.

Run the Balance Exception Report

1. On the Home page, click the **Submit a Flow** quick action under the **My Client Groups** tab.
2. Select the same legislative data group as in the previous tasks.
3. Select the **Run Balance Exception Report** flow pattern and then click **Next**.
4. Complete the fields as shown in this table:

Field	Value
Payroll Flow	Enter an appropriate name for this instance of the report.
Process End Date	Enter a value.
Balance Exception Report	Compare Net Payment Amounts to the Previous Period

Field	Value
Payroll	Select a value to restrict this exception report to a specific payroll. Enter the same name as in the previous task, if one was specified.

5. Click **Next**.

   When you enter information on the Linked Flow section of the Submit a Flow page, select Current Flow as the payroll flow and Run Balance Exception Report as the task to ensure the report uses the payroll balances results for the current payroll flow.
6. Click **Next**.
7. Click **Submit**.When you submit a flow, it creates an instance of the flow, the application generates a checklist by default.
8. Click **OK and View Checklist**.
9. In the task list click the **Run Balance Exception Report**. View and monitor the status of the flow on this page.
10. Click on the on the task to go to the Process Results Details page.
11. You can view the output from the Output and Log files section.

Related Topics

- Examples of Balance Exceptions
- Balance Exceptions
- Balance Exception Report for the US
- Balance Exception Formula Type

Severity Level for Balance Exceptions

Severity Level controls the order in which the exceptions are displayed in the balance exception report.

While defining a balance exception, enter a severity level to specify the priority of the exception. An exception with a lower severity level has a higher priority than one with a higher severity level value.

When you run the Balance Exception Report, you can act on the exception based on its severity level. Let's say, you have these two exceptions:

- Net Pay less than 100
- The difference in Base Salary from previous period to current period is 1000

Ideally, you should enter a lower value for the first exception, so that when you run the Balance Exception Report, the payroll user can first look into reconciling the lower Net Pay exception.

Note: The value you enter has no impact on the balance exception calculation.

Related Topics

- Examples of Balance Exceptions
- Severity Level for Balance Exceptions
- How to Create a Balance Exception Report
- Balance Exception Formula Type
- Balance Exceptions for the US

11 Set Up Pay Calculation Components

Payroll Calculation Information

Payroll Calculation Info for the US

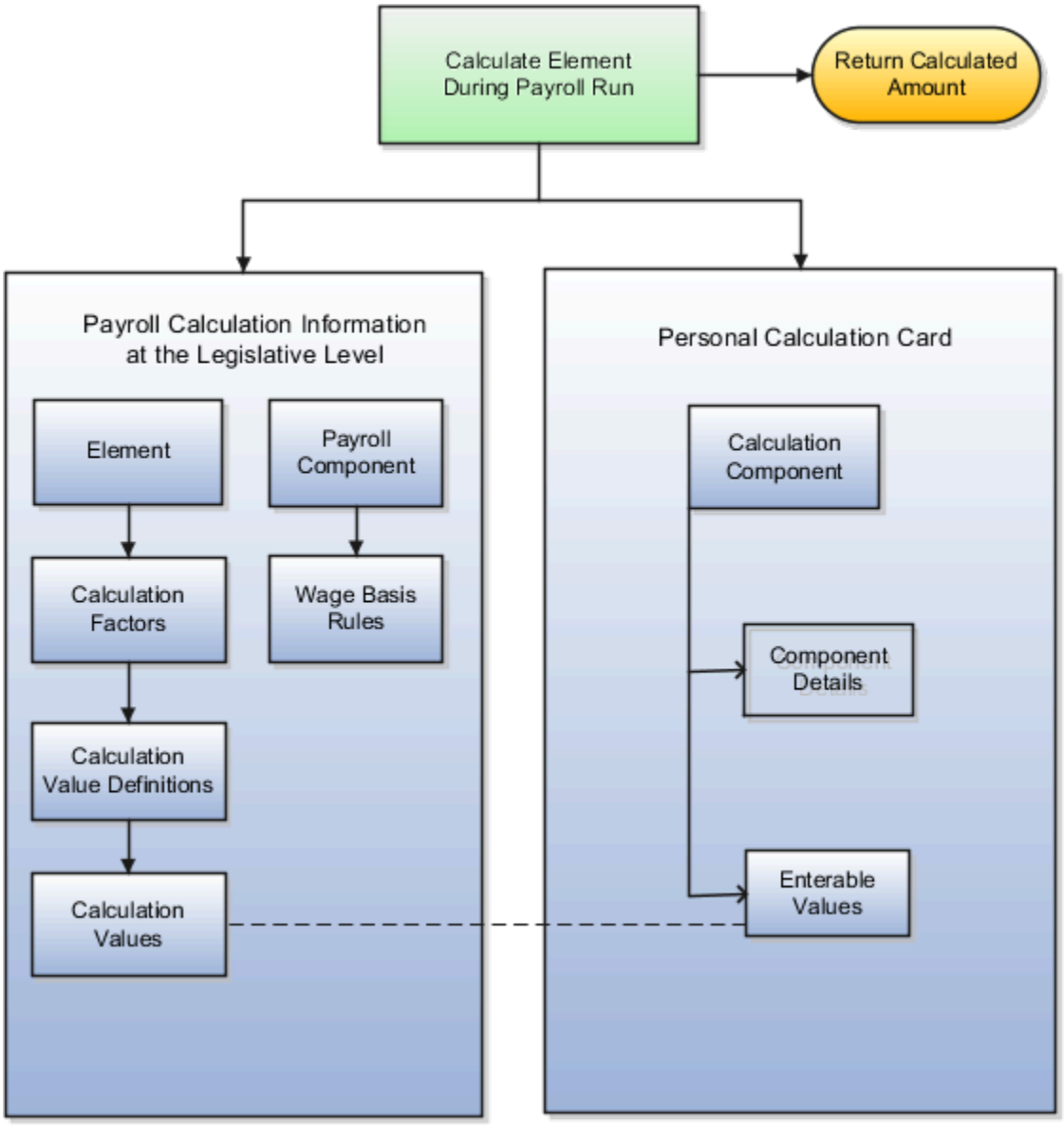
When you create an element, the Elements task generates the rules and definitions required to calculate an earnings or deduction amount.

These rules and definitions exist within the following components.

- Elements
- Payroll components
- Wage basis rules
- Calculation factors
- Calculation value definitions
- Calculation components

The following figure shows the relationship between those components held at the legislative data group level and those you can enter on a personal calculation card.

Note: You can also create calculation cards for a specific tax reporting unit (TRU) or payroll statutory unit (PSU) to capture info such as an employer's contribution rate.



Elements

Elements specify how and when an earnings or deduction should be processed. When you create an element, several related elements are typically created with the same name prefix. You can view the related elements and other generated items on the Element Summary page, including:

- Status processing rule

  Specifies the formula that processes the element entries.

- Input values

  Values that can be entered for, or returned from, the calculation.

Use the Elements task to create elements and to view the generated elements and related items. After creating an element:

- You must add eligibility rules
- You may want to add:
  - Input values
  - Status processing rules
  - Frequency rules
  - Subclassifications
  - Balance feeds

For further info, see Elements for the US in the Help Center.

Payroll Components

A payroll component is a group of rates and rules that the payroll run uses to calculate values for earnings and deductions.

When you create elements in certain classifications and categories, such as involuntary deductions, the element template creates a payroll component with the same name.

You can manage payroll components using predefined component groups, which vary by country or territory but may include social insurance, taxes, retirement plans, involuntary deductions, and benefits.

Use the Payroll Calculation Information task to view payroll components and their associated rules.

Wage Basis Rules

Wage basis rules determine:

- The earnings that contribute to a deductible amount
- For exemptions, the elements that reduce the amount subject to deduction

For example, wage basis rules could define which secondary classifications of standard and supplemental earnings are subject to a particular tax.

Rules may vary based on reference criteria such as a worker's place of residence.

Use the Component Group Rules task to define the rules and references.

Use the Calculation Cards task to enter marital status and exemption values for workers.

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

Calculation Factors

Calculation factors indicate which calculation value definition to use when calculating the amount.

If tax rates vary based on a factor, such as a person's filing status, then the filing status is defined as a calculation factor reference. Thus, an element may have multiple calculation factors, one for each unique set of rules and references values.

Use the Component Group Rules task to view calculation factors defined for a component group.

For further info, see Calculation Factors in the Help Center.

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.

For further info, see Calculation Value Definitions in the Help Center.

Calculation Components

Calculation components are individual calculations captured on a calculation card. When an element template creates a payroll component, it also creates calculation components that you can enter on personal calculation cards to enter specific details for the person.

Use the Calculation Cards task to enter calculation components for a person.

Related Topics

- Calculation Value Definitions
- Elements for the US
- Examples of Payroll Calculation Info for the US
- What are tax wage basis rules for the US?
- Calculation Factors

Examples of Payroll Calculation Info for the US

The following examples help illustrate how various rules and definitions work together to calculate deductions.

Here are the deductions being calculated.

- Federal (FIT) and state income taxes (SIT)
- Medicare
- Social Security

Each example provides sample values for the following rules and definitions.

- Component group
- References for wage basis rules
- References for calculation factors
- Wage basis rules

- Related elements
- Calculation factors for elements
- Associations for tax reporting

Income Tax Deductions for Federal and State

You must provide sufficient info for the payroll process to apply the correct SIT and FIT deductions for each employee.

Based on regional values from the employee's record, the payroll process uses the following to calculate the SIT.

What it uses	Where it comes from
Declared allowances	These are defined on the employee tax card. For further info, see Tax Withholding Card in the Help Center.
Marital status, where appropriate	These are defined on the employee tax card.
Taxable wages	These are determined by your wage basis rules. For further info, see Tax Wage Basis Rules for the US in the Help Center.

To view the wage basis rules the payroll process uses to calculate the FIT and SIT deductions, use the Component Group Rules task.

For example, the following displays some of the values for FIT and California SIT.

Primary classification	Secondary classification	Is it subject FIT?	Is it not withholdable for FIT?	Is it subject to SIT?	Is it not withholdable for SIT?
Standard Earnings	All	Yes		Yes	
Imputed Earnings	Cash Tips Reported	Yes		Yes	
	Domestic Partner Nondependent	Yes			
	Group Term Life		Yes		Yes
	Moving Expense Nonqualified and Taxable	Yes		Yes	
	Noncash Award	Yes		Yes	
	Personal Use of Company Car		Yes	Yes	

Primary classification	Secondary classification	Is it subject FIT?	Is it not withholdable for FIT?	Is it subject to SIT?	Is it not withholdable for SIT?
Pretax Deductions	Health Savings Account			Yes	
	Health Savings Account Catch Up			Yes	
Supplemental Earnings	Awards and Prizes	Yes		Yes	
	Bonus	Yes		Yes	
	Cafeteria Plan	Yes		Yes	
	Commission	Yes		Yes	
	Deferred Compensation Distribution	Yes		Yes	
	Dismissal Payments	Yes		Yes	
	Jury Duty Pay	Yes		Yes	
	Moving Expense Nonqualified	Yes		Yes	

Medicare Deductions

For Medicare, both the employer and the employee contribute to the tax, but the employee contribution rate varies based on their wages.

The payroll process calculates the deduction by:

1. Calculating the base amount for the employee's contribution.
2. Calculating the base amount for the employer's contribution.
3. Calculating the employee's contribution amount.
4. Calculating the employer's contribution amount.

To view the wage basis rules the payroll process uses to calculate the Medicare tax deductions, use the Component Group Rules task.

Primary classification	Secondary classification	Is it subject to Medicare?
Standard Earnings	All	Yes

Primary classification	Secondary classification	Is it subject to Medicare?
Imputed Earnings	All	Yes
Pretax Deductions	Deferred Compensation 401k	Yes
	Deferred Compensation 401k Catch Up	Yes
	Nonqualified Deferred Compensation	Yes
Supplemental Earnings	Awards and Prizes	Yes
	Bonus	Yes
	Commission	Yes

Social Security Deductions

For Social Security, both the employer and the employee contribute to the tax.

Note: The Social Security wage limit changes each year.

The payroll process calculates the deduction by:

1. Calculating the base amount for the employee's contribution.
2. Calculating the base amount for the employer's contribution.
3. Calculating the employee's contribution amount.
4. Calculating the employer's contribution amount.

To view the wage basis rules the payroll process uses to calculate the Social Security tax deductions, use the Component Group Rules task.

Primary classification	Secondary c	Is it subject to Social Security?
Standard Earnings	All	Yes
Imputed Earnings	All	Yes
Pretax Deductions	Deferred Compensation 401k	Yes
	Deferred Compensation 401k Catch Up	Yes
	Nonqualified Deferred Compensation	Yes
Supplemental Earnings	Awards and Prizes	Yes

Primary classification	Secondary c	Is it subject to Social Security?
	Bonus	Yes
	Commission	Yes

Related Topics

- Calculation Value Definitions
- Payroll Calculation Info for the US
- What are tax wage basis rules for the US?
- What Is the Tax Withholding Card
- Calculation Factors
- Involuntary Deduction Overrides for the US

Calculation Cards

How Calculation Cards Work Together for the US

Personal payroll calculation cards capture info specific to a payroll relationship. Payroll runs use this info to calculate earnings and deductions.

Some actions create these cards automatically, such as hiring a person or loading data. Otherwise, you create the card manually. You can also add components to cards and enter calculation values, which could override default values. Additionally, you can associate some cards with a tax reporting unit (TRU).

Consider the following when working with these cards.

- What types of calculation cards are available

  For further info, see Types of Calculation Cards for the US in the Help Center.
- How to create these cards

  For further info, see When Do I Manually Define Calculation Cards in the Help Center.
- What calculation components can you add to them

  For further info, see Calculation Components and Component Groups on Calculation Cards for the US in the Help Center.
- What calculation values can you add
- How to associate TRUs with a card

  For further info, see Tax Reporting Unit Associations in the Help Center.

To view and manage calculation cards, use the Calculation Cards task.

Types of Calculation Cards for the US

The types of calculation cards you can create and the type of info captured on a card can vary, including:

- Absences
- Benefits and pensions
- Employee earnings distributions
- Involuntary deductions
- Reporting info
- Statutory deductions
- Tax jurisdictions
- Tax withholding
- Time card entries

Additional cards are available to capture info for reporting purposes.

Card name	What it does
Absences	Identifies absence data and categories, such as: • Vacation • Maternity • Sickness • Other It also tracks accrual balances, qualifications, or no entitlements. For further info, see Absence Components for the US in the Help Center.
Benefits and Pensions	Identifies important info for some deferred compensation plans. • Contribution amounts • Limits • Payees • Additional contributions For further info, see the following in the Help Center: • Benefits and Pensions Card for the US • Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans
Employee Earnings Distributions	Identifies earnings distributions for employees who are working in multiple states, counties, and cities in a single assignment and default work location. For further info, see Employee Earnings Distribution Overrides Card in the Help Center.
Involuntary Deductions	Identifies involuntary deductions for employees.

Card name	What it does
	Each card can support multiple deduction types and configurations. One card per payroll relationship. For further info, see Involuntary Deductions Card for the US in the Help Center.
Reporting Information	Stores info required for quarterly and year-end reporting. For further info, see Reporting Information Calculation Card for the US in the Help Center.
Retiree Reporting Information	Stores info required for quarterly and year-end reporting for retirees.
Tax Jurisdictions	Identifies local tax jurisdictions applicable to the worker based on their residence and work addresses. This card is the source-of-truth for the payroll calculation process when it comes to earnings distribution, determining the worker's state of employment, and so on.
Tax Withholding	• Employee Withholding Certificate Identifies employee and pending worker info for federal tax forms and regional forms, such as Form W-4. Pennsylvania employees also have the Residency Certificate added to their Tax Withholding card. For further info, see Tax Withholding Card in the Help Center. • Tax Withholding for Pensions and Annuities Identifies retiree info for federal tax forms and regional forms, such as Form W-4P.
Time	Depending on how your configuration, time cards capture: • Hours and dates worked • Categories of time, such as regular time, overtime, absence, vacation, and holiday • Billable and nonbillable time • Project-related time For further info, see Time Cards for the US in the Help Center.
Organization	Organization configuration cards at the following levels. • Legal Entity Calculation Card at the payroll statutory unit (PSU) level • Legal Reporting Unit Calculation Card at the TRU level Use the Legal Entity Calculation Cards and Legal Reporting Unit Calculation Cards tasks to set the following. • State unemployment insurance (SUI) and state disability insurance (SDI) rates • Self-adjustment settings • Overrides to standard rates For further info, see Configure Organization Calculation Cards for the US in the Help Center.

Related Topics

- How Calculation Cards Work Together for the US

When Do I Manually Define Calculation Cards

You define most calculation cards through the Calculation Cards task. Others are defined automatically when you perform certain actions.

When you do this	This happens
Hire or rehire a person	Unless you have specifically disabled this action, new hires or rehires are automatically granted a Tax Withholding and Tax Jurisdictions card.
Make changes to an employee's resident address or work location	The Tax Withholding card is automatically updated with the new address.
Process valid e-IWO inbound orders	• The employee's Involuntary Deductions card components are created or updated with the new deduction info • The card is created if one doesn't exist For further info, see Human Resources Cloud Administering US Electronic Income Withholding Orders on the Help Center.
Record and approve an absence in the Absence Record task for an employee, the task automatically	Creates an Absences calculation card. Automatic creation happens only if the card doesn't already exist. For further info, see Employee Absence Records for the US in the Help Center.
Mass data uploads	If you load absence, time card, or pension data from another application, the application automatically creates the calculation cards.

Calculation Components and Component Groups on Calculation Cards for the US

When viewing a card through the Calculation Cards task, the Calculation Card Overview section shows a hierarchy of calculation components within component groups.

For example, on the Involuntary Deductions card, child support, education loan, and alimony are calculation components in the Involuntary Deduction component group.

Each component relates to an element, such as an income tax deduction. Adding a calculation component to the card creates an entry for the related element.

A calculation component could have one or more references that define its context, such as the employee's place of residence or tax filing status.

Click a row in **Calculation Components** to see its component details. Use **Component Details** to enter additional values used to calculate the component.

Here's a list of the types of cards, including a brief description of the calculation components and groups used with each.

This card	Uses these calculation components, groups, and details
Absences	Absence Entitlement Element: Details These are the enterable calculation values **Calculation Cards**. • Entitlement Rate • Entitlement Factor • Entitlement Unit
Employee Earnings Distributions	Regional: Includes withholding info and overrides for state, city, and regional taxes
Tax Jurisdictions	• Resident Tax Jurisdictions Includes worker's resident tax address and derived jurisdictions. • Regional Tax Info Includes worker's primary work address, unemployment state, disability state, and so on. • Work Tax Jurisdiction Includes the worker's assigned tax reporting unit (TRU), work tax address, and jurisdictions based on their assignments.
Tax Withholding	• Federal Includes withholding info and overrides for federal taxes For example, if an employee qualifies for a special reduced tax rate, enter the rate as an enterable value on their tax card. • Regional Includes withholding info and overrides for state, city, and regional taxes
Retiree Withholding Certificate	• Federal Includes withholding info and overrides for federal taxes For example, if a retiree qualifies for a special reduced tax rate, enter the rate as an enterable value on their personal calculation card. • Regional Includes withholding info and overrides for state, city, and regional taxes
Involuntary Deductions	Each component relates to an element, such as an income tax deduction. Adding a calculation component to the card creates an entry for the related element. The components shown on the card vary depending on which calculation components are added. Here are some of the components you might see.

This card	Uses these calculation components, groups, and details
	• Child support • Education loan • Alimony
Reporting Information	• Federal Includes withholding info and overrides for federal taxes • Regional Includes withholding info and overrides for state, city, and regional taxes
Retiree Reporting Information	• Federal Includes withholding info and overrides for federal taxes • Regional Includes withholding info and overrides for state, city, and regional taxes
Time	• Earnings (Time card) Element: Details • Time Unit is the enterable calculation value on Calculation Cards tab

Create a Personal Calculation Card for the US

In this example, you want to create a Tax Withholding calculation card at the payroll relationship level.

This card captures info for an income tax deduction that varies depending on a person's tax filing status.

Create the Calculation Card

To create the Tax Withholding card:

1. Search for the employee.
2. Start the Calculation Cards task.

   This lists all cards already defined for the person.
3. Click **Create**.
4. Select **Tax Withholding** as the calculation card type.
5. Click **Continue**.

> **Note:** Use the **Calculation Card Overview** section to view the component groups associated with this calculation card. In this example, you see **Federal** and **Regional** component groups.

Create Calculation Components

Define regional nodes for the appropriate states, counties, and cities.

1. In **Calculation Card Overview**, select **Regional**.
2. Click **Create** from **Calculation Card Overview Actions**.

3. Select the employee's work state, and click **OK**.

   Note: For the new entry to appear, you might have to click **Save and Close** and then open the card again.

4. Repeat for each state in which the employee works.
5. For each state, select its node and click **Create** from the **Actions** menu. Select the appropriate work county.
6. For each county, select its node and click **Create** from the Actions menu. Select the appropriate work city.
7. Click **Save and Close**.

Define Federal and Regional Tax Info

For each node in **Calculation Card Overview**:

1. Select **Update** from the **Action** menu.
2. In **Calculation Card Overview**, select the node you want to modify.
3. Define the values for the node as needed.
4. Click **Save**.
5. Select the next node, and complete the values.

   Note: Component details vary for each calculation component. For some components, you can enter amounts, rates, or other values. If you can enter values, **Enterable Values on Calculation Cards** appears.

Create a Tax Reporting Unit Association

Associations link a calculation card or component with a tax reporting unit (TRU). The hire process automatically creates an association to a TRU on the tax card for the employee if you specify one.

If the person experiences an organization change, such as a transfer to a new LRU, you might have to change their TRU association.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

This involves creating a record for the new TRU and end dating the original record.

1. In **Calculation Card Overview**, select **Associations**.
2. In **Associations**, click **Create** from the **Actions** menu.
3. Select the TRU, and click **OK**.
4. Select the new association in **Associations**, and click **Create** in the **Actions** menu in **Association Details**.
5. Select the assignment number and calculation component.
6. Click **OK**.
7. Click **Save and Close**.
8. Verify the following values on the Federal component of the Tax Withholding card.
   - State for Unemployment Calculation
   - State for Disability Calculation
   - Primary Work Address

   After you create the tax card association, the process automatically populates these fields with default values.

Change the Tax Reporting Unit for an Assignment

The **Associations** section of the card identifies the TRUs associated with the person's assignment. If the person experiences an organization change, such as a transfer, you must change their TRU association. This involves creating a record for the new TRU and end dating the original record.

1. In **Associations** on the card, select **Create Association**.
2. Select the TRU you want to add, and click **Go**.
3. Select the link for the TRU you just added.
4. In **Association Details**, click **Create Association Details**.
5. Select the appropriate assignment number, and click **Go**.
6. Navigate back into the card.
7. For the original TRU, select **Edit Associations** from the menu icon.
8. Click **End Date**.

Related Topics

- Examples of Updating the Tax Withholding Card After a Location Change
- What Is the Tax Withholding Card

Benefits and Pensions Card for the US

The Benefits and Pensions personal calculation card is a card you have to create manually for eligible employees.

It provides important info for:

- 403 (b) and Roth 403 (b) deferred compensation plans
- 457 (b) and Roth 457 (b) deferred compensation plans

What you want to do	How you do it
Create the card	Use the Calculations Cards task to add the card to eligible employees. You can use the HCM Data Loader to perform a mass update for multiple employees. For further info, see Loading US Data Using HCM Data Loader (2558276.1) on My Oracle Support.
Add the deferred compensation plan to the card	You add the plans as calculation components to the **Benefits** node. Before you can do this, you must have already defined the appropriate pretax deductions elements.
Configure the plans on the card	Once you have added the calculation components, configure then by adding the appropriate calculation values under **Enterable Calculation Values on Calculation Cards**.

For further info, see the following in the Help Center.

- Example of Defining Elements for 403 (b) and After-Tax 403 (b) Deferred Compensation Plans
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

Related Topics

- Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans
- How Calculation Cards Work Together for the US
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- How Do I Configure 403 (b) Deferred Compensation Plans?
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
- Example of Defining Elements for 403 (b) and After-Tax 403 (b) Deferred Compensation Plans

Employee Earnings Distribution Overrides Card

The Employee Earnings Distribution Overrides card identifies every location where an individual employee works and the percentage of their time spent there.

For employees working in multiple locations, you may want to distribute their earnings across the appropriate jurisdictions. This can have an impact on the tax calculation if they're subject to different tax rates.

When running payroll for those employees, this card determines earnings for each and calculates taxes appropriately. You would commonly use it for consulting and salespeople who travel regularly.

You specify components at the state, county, and city levels and the percentage of earnings distribution for each. The combined percentages can't exceed 100%. If the total doesn't reach 100%, the payroll process allocates the remaining percentage to the employee's default work location.

For example: An employee works in four locations.

- Texas- the primary work location on the assignment
- San Jose, CA
- Los Angeles, CA
- Arizona

You would configure the Employee Earnings Distribution Overrides card to reflect the following distributions of 25%.

- San Jose, CA
- Los Angeles, CA
- Arizona

The remaining 25% would be automatically attributed to the primary Texas location.

Interactions with the Tax Withholding Card

By default, the Tax Withholding card automatically updates the values used when you make changes to an employee's:

- Resident address
- Work location
- Assignment

You may want to review your earnings distribution overrides if a location change has potentially changed the distribution.

Viewing the Card

To view or create an Employee Earnings Distribution Overrides card.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the employee.
4. If the card already exists for this employee, select it.
   Otherwise, click **Create** and select **Employee Earnings Distribution Overrides**.

You must create a card for each employee payroll relationship.

Adding a Work State

To enter an alternate work state for the employee:

1. Start the Calculation Cards task.
2. In **Calculation Card Overview**, select **Regional** and click **Create**.
   Do not click **Create** in **Calculation Components**.
3. In the Add Calculation Component window, specify the state.
4. Click **OK**.
   The Calculation Components table adds a row for the state.
5. Select the new row in **Calculation Components**.
6. In **Calculation Component Details**, click **Add Row**.
7. In the Create Calculation Component Details window, select **Employee Earnings Distribution** and click **OK**.
8. Specify the percentage of time worked at the location, and click **Save**.
9. Repeat these steps to add any other states.
10. When finished, click **Save** and then **Done**.

Adding a Work County

You can't add a work county to the card if you haven't first added its parent state. To add a work county:

1. Start the Calculation Cards task.
2. Search for and select the person.
3. Select their Employee Earnings Distribution Overrides card.
4. In **Calculation Card Overview**, select the state for which you're adding the county and click **Create**.
   Do not click **Create** in **Calculation Components**.
5. In the Add Calculation Component window, select the county.
6. Click **OK**.
7. Repeat these steps to add any other counties.
8. When finished, click **Save** and then **Done**.

Adding a Work City

You can't add a work city to the card if you haven't first added its parent county. To add a work city:

1. Start the Calculation Cards task.
2. Search for and select the person.
3. Select their Employee Earnings Distribution Overrides card.
4. In **Calculation Card Overview**, select the county for which you're adding the city and click **Create**.

Do not click **Create** in **Calculation Components**.

5. In the Add Calculation Component window, select the city.
6. Click **OK**.
7. Repeat these steps to add any other cities.
8. When finished, click **Save** and then **Done**.

Allocating Time Worked

Once you have created all required state, county, and city calculation components, you assign the percentages of time worked at each.

The percentage you assign to a parent node must be equal to or greater than the sum of the percentages you assign to its children.

The sum of all percentages doesn't have to equal 100%. Any remaining time is automatically attributed to the default location specified on the employee's assignment.

1. Start the Calculation Cards task.
2. Search for the person, and open their card for editing.
3. In **Calculation Card Overview**, select the row of the location for which you're specifying the time.
4. In **Details**, expand **Employee Earnings Distribution**.
5. Click **Edit**, and select **Correct**.
6. Specify the percentage of time worked at the location.

   The sum of all child nodes can't exceed the percentage of their parent node.
7. Click **Save**.
8. When finished, click **Done**.

Related Topics

- Define Earnings Elements for the US
- Earnings Distributions for the US
- How Calculation Cards Work Together for the US

Involuntary Deductions Card for the US

As the employer, when you receive an involuntary deduction order, you must create the employee's Involuntary Deductions card. Unlike the Tax Withholding card, there's no option for automatically creating the card upon hire.

Here's how you create and configure the Involuntary Deductions card.

What you want to do	How you do it
Assign involuntary deductions to a person	Use the Calculation Cards task to create the Involuntary Deductions card if one doesn't already exist. Then you can add card components for each deduction. **Note:** You can't process involuntary deductions for retirees and contingent workers.

What you want to do	How you do it
Configure deduction details	Use the calculation component details on the card's calculation component to enter values, such as the order amount payee and received date.
Set overrides	Use the calculation values on the card's calculation component to enter values, such as order amount and total owed amount.
Update the card as needed	After you have defined the card and assigned the involuntary deductions, you can always edit the card later for reasons like: • Adding or editing deductions • End dating a deduction • Deleting an invalid or malformed deduction

For further info, see the following sections.

Assign Involuntary Deductions to a Person

You must create the Involuntary Deductions card before you can levy any involuntary deductions against an employee's income.

An employee should only have one active Involuntary Deductions card at a time, as the card is created per payroll relationship and is effective-dated. After the employee has the card, you can assign the deductions to them as calculation components on the card.

Some processes create the card automatically for eligible employees, such as the Run e-IWO Process. In most cases, however, you must create the card manually or through a loader.

You can use HCM Data Loader to upload involuntary deduction data. For further info, see Loading US Data Using HCM Data Loader (2558276.1) on My Oracle Support.

1. Create the card.
    a. From **My Client Groups**, click **Payroll**.
    b. Click **Calculation Cards**.
    c. Search for and select the person.
    d. Click **Create**.
    e. Select **Involuntary Deductions**, and click **Continue**.

2. For each involuntary deduction, add the associated calculation component to the card.

   For further info, see Add Deductions to the Involuntary Deductions Card for the US in the Help Center.

   a. In **Calculation Components**, click **Create**.
   b. Select the calculation component with the same name as the involuntary deductions element you defined.

      This creates an element entry for the related element.
   c. Use **Subprocessing Order** to change the deduction's default processing priority.

      The payroll process calculates each deduction based the priority it inherits from its deduction type.

      For further info, see Add Deductions to the Involuntary Deductions Card for the US in the Help Center.
   d. For the appropriate deduction types, enter the state.

      This is required for state-issued orders such as child support or garnishments. It's not applicable for federal orders such as bankruptcy or education loans.

      For support orders, if the employee's work state is different from the issuing state, enter the employee's work state in this field. This ensures the payroll process applies the correct state legislative rules.
   e. Enter a reference code to uniquely identify this deduction, such as a court order number or other identifier provided by the issuing authority. This value must be unique by deduction type and state.
   f. Click **OK**.

You can add multiple calculation components for the same or different involuntary deduction types. For example, you can add two child support components and one garnishment component to the same calculation card. Assign each component a unique reference number.

Configure Deduction Details and Set Overrides

Complete the fields on **Calculation Component Details** to set calculation component details for individual card components.

1. Configure the involuntary deduction rules' payment details and deduction data.
    a. In **Involuntary Deduction Rules**, enter the date the involuntary deduction order was received.
    b. Optionally, enter the frequency of the deduction.

        This is the frequency of the order amount you entered, such as monthly or weekly. Use this only when the involuntary deduction order specifies a frequency that is different from your payroll frequency.

        Federal tax levies ignore this setting.

        Don't specify a frequency for involuntary deductions configured with an order percentage.

        If you leave this field blank, the payroll process uses the payroll frequency. If the frequency you enter doesn't match the payroll frequency, the process converts the calculation values during the payroll run.
    c. Provide any other pertinent info in this section.
    d. In **Involuntary Deduction Payment Details**, select the payees for the deduction.

        - Order amount payee is required.
        - Processing fee payee is required if you are charging the fee to the employee.
        - Organization fee payee is required if you are charging the fee to the employee.

        For further info, see Involuntary Deduction Fees for the US in the Help Center.
    e. Expand **US Involuntary Deduction Data**.
    f. Enter the remittance identifier.

        When you run the Make EFT Payments for third-party payments, it includes this data on the electronic funds payment file. It appears as the **Case Identifier** on the addenda record.
    g. Provide any other pertinent info in this section.

    For further info, see Configure Involuntary Deduction Details for the US in the Help Center.
2. Click **Enterable Calculation Values on Calculation Cards**, and set any necessary overrides.

    For example, entry of an order amount or order rate.

    For further info, see Set Overrides on the Involuntary Deductions Card for the US in the Help Center.
3. Save the component.
4. Add any other components to this card as needed.

    You can add multiple calculation components for the same or different involuntary deduction types. For example, you can add two child support components and one garnishment component to the same calculation card. Assign each component a unique reference number.

Edit the Card

Use the Calculation Cards task to edit cards.

What you can do	What this means
Add or edit deductions	This consists of creating or modifying the calculation components.
End date deductions	You must end date a calculation component after an involuntary order is satisfied. The payroll process automatically stops processing an order after either the total owed amount or maximum duration is reached. **Note:** Exceptions to this are federal tax levies. If you have configured the element to allow for additional penalties and interest beyond the total owed, they continue to be withheld even after the total owed is reached. To end date a calculation component, select the **End Date** action, and click **Save**. When you end date the calculation component, the task also end dates: • Element entry • Calculation component details • Calculation values The payroll process no longer processes the component in payroll runs after that date. The payroll process doesn't process deductions that were end dated in the middle of a pay period. When you terminate an employee, the task end dates the card and card components as of the final close date. Configure the latest entry date for involuntary deduction elements with **Final Close**.
Delete invalid deductions	Delete a calculation component only if you improperly defined it and it's unusable. For example, if you selected the wrong deduction type, chose the wrong state, assigned it to the wrong employee, and so on. **Note:** You can't delete a calculation component if it has already been processed in a payroll run. To remove the calculation component and all the details associated with it: 1. Select the component on the card. 2. Select **Delete Calculation Component and Details** from the **Actions** menu.

Related Topics

- Define Involuntary Deductions for the US
- How Calculation Cards Work Together for the US
- Involuntary Deduction Fees for the US
- Add Deductions to the Involuntary Deductions Card for the US
- Configure Involuntary Deduction Details for the US
- Loading US Data Using HCM Data Loader
- Set Overrides on the Involuntary Deductions Card for the US

What Is the Reporting Information Card for the US?

The Reporting Information card provides additional info for person-level state and federal reporting for both employees and retirees. Most of these fields are for third-party quarterly tax filing.

Use the Calculation Entities task to update this card.

It includes these calculation components.

Calculation component	What it's for
Reporting Information	Sets values on the **Federal** component, including values for third-party reporting and federall configuration. For use with employees. You must manually create this component before you can set any values.
Retiree Reporting Information	Sets values on the **Federal** component. For use with retirees. Every retiree automatically gets this component.
State Reporting Information	Sets values on the **Regional** component that require both a state and tax reporting unit (TRU).
Regional Tax Information	Sets values on the **Regional** component that are state dependent but apply to all TRUs. You must manually create this component before you can set any values.

Tax Withholding Card

What Is the Tax Withholding Card

The Tax Withholding card is the default employee federal tax card for the US. The info this card captures is used for populating federal forms, such as the W-4, and regional cards, such as the Pennsylvania Residency Certificate.

This card provides important info the payroll process needs to calculate taxes.

- Filing status
- Number of allowances
- Exemptions from taxes

This info is based on the employee's selections on their Form W-4.

> **Note:** You can use this card to manage employee federal and W-4 tax info if you have an HR Only implementation. For further info, see Tax Withholding Card for HR Only Implementations on the Help Center.

What priority this card has

During tax calculation, the payroll process uses any settings you make on these cards over settings you've made at the organization card or legislative data group (LDG) levels.

What actions you can perform

There are multiple actions you can perform on this card.

What you want to do	How you do it
View the tax card	As the employer, use the Calculation Cards task. Employees can view it from their **Me** page.
Automatically create the card	Automatic card creation is based on your Oracle Cloud HCM license. For most employees, the New Hire process automatically creates the Tax Withholding card.
Automatically update the card	The card sync process manages how and when the tax card is updated based on changes you make to the employee's info.
Manually create and update the card	Use the Calculation Cards task. For employees hired prior to 2020, the default federal settings for the card are Single 0. For the 2020 and onward, the default is **Single or Married filing separately**.
Calculate an employee's work state	If you have enabled sync actions, the card determines this automatically. Employees working in multiple states may require special tax card configuration.
Perform additional tax card configuration	Once you have created the tax card, it may require some additional configuration.

Tax Withholding Card for Pending Workers

When you run the Hire a Pending Worker process, it automatically creates a Tax Withholding calculation card for them. It includes a default Federal component. You can update this card with federal and state withholding details.

Once the hire is confirmed,

- The info you captured on the pending worker's Tax Withholding Card is automatically copied to the person's permanent employee Tax Withholding Card.
- The pending worker tax card is end dated as of one day prior to the permanent employee Tax Withholding Card's start date.

How to enable pending worker tax cards

These cards aren't available by default. To enable them:

1. Start the Calculation Value Definitions task.
2. Select your legislative data group (LDG).
3. Search for and select **Tax Withholding Card for Pending Worker**.

4. In **Calculation Values**, click **Add Row**.
5. Enter these values.

Field	What you enter
From Value	0
To Value	9999999
Text	y

6. Click **Submit**.

Related Topics

- What Is the Tax Withholding Card

View the Tax Withholding Card

The employee Tax Withholding card captures multiple levels of employee tax info.

What you want to see	What this includes	How you do it
Active, inactive, and all Regional components	You can filter regional components using the **All**, **Active**, and **Inactive** status toggles to control which records you view.	Here's how you filter regional components: 1. Open the person' tax card. 2. Click **Regional**. 3. Click a withholding status, such as **Active**.
Employee tax withholding components	When an employee accesses their federal tax card info, it displays the info used on their W-4. • For those states that follow federal, the filing status defaults to Single 0 if no update was made to that state component. • For those states that don't follow federal, the specific state's editable info displays. The employee can perform their updates on these forms for both federal and state withholding.	As the employer, here's how you can view an employee's Tax Withholding card. 1. From **My Client Groups**, click **Payroll**. 2. Click **Calculation Cards**. 3. Search for and select the person. 4. Open their Tax Withholding card for editing. 5. In Withholding Details, select **Federal**. The PDF file generates, and you can print it as needed. If you have granted access to the Tax Withholding task for the employees' roles, here's how they can view their W-4 forms. 1. From their **Me** page, click **Pay**. 2. Click **Tax Withholding**.
Pennsylvania Residency Certificate	The Pennsylvania Residency Certificate form is available from the **Me** page. This feature enables employees to view and update their own info. The form defaults the employee and employer info such as name, address,	As the employer, to view a person's Pennsylvania Residency Certificate, select **Pennsylvania PSD** under **Withholding Details** to view the PDF.

What you want to see	What this includes	How you do it
	social security number, and federal employer identification number (EIN).	How the employee can view their certificate: 1. From their **Me** page, click **Pay**. 2. Click **Tax Withholding**. 3. Click **PA**.

Create and Update the Tax Withholding Card

You have multiple options related to creating and updating the Tax Withholding Card.

What you want to do	How you do it
Create the card automatically	For most employees, the New Hire process automatically creates the Tax Withholding card. However, there are cases where you must create it manually using the Calculation Cards task. For further info, see Automatically Create the Tax Withholding Card in the Help Center.
Update the card automatically	Your employees' HR and payroll data is interconnected, and changes in one area can impact others. To maintain data integrity, when you make certain changes to person's data, a sync process automatically updates the appropriate tax card info. This sync process is enabled by default. Use the Payroll Process Configuration task to disable it. For further info, see Automatically Update the Tax Withholding Card in the Help Center.
Create and update the card manually	Use the Calculation Cards task. From here, you can create and edit cards. For further info, see Manually Create and Update the Tax Withholding Card in the Help Center.
Add default state and local withholding	Use the Calculation Cards task, and click **Create Default State and Local Withholding**. For further info, see Default State and Local Withholding Info in the Tax Withholding Card in the Help Center.
View a person's exemption history	Use the Calculation Cards task, and click **View History**. For further info, see View Tax Withholding Card Exemption History in the Help Center.

Related Topics

- Automatically Create the Tax Withholding Card
- Automatically Update the Tax Withholding Card
- Default State and Local Withholding Info on the Tax Withholding Card
- Manually Configure the Tax Withholding Card
- What Is the Tax Withholding Card
- View the Tax Withholding Card

Automatically Create the Tax Withholding Card

You use the Manage Features by Country or Territory task to activate localization-specific functionality for your enterprise. When you select **Payroll or Payroll Interface** for the United States, your workers automatically receive a Tax Withholding card whenever you:

- Define them through the New Hire task.
- Assign them a new payroll relationship.
- Convert their employee data through batch loaders.

Here's how to set up automatic Tax Withholding card creation.

1. Use the Manage Features by Country or Territory task to set the **Selected Extension** parameter to either **Payroll** or **Payroll Interface**, as appropriate for your implementation.
2. Confirm you have created element eligibility for the US Taxation element. This element is automatically added to the employee's element entry when you associate the card to the tax reporting unit (TRU).

Related Topics

- Create and Update the Tax Withholding Card
- What Is the Tax Withholding Card

Automatically Update the Tax Withholding Card

Depending on the kinds of actions you perform, the Tax Withholding Card can be automatically updated in different ways.

When you do this	This occurs
Hire an employee or create a payroll relationship	1. Creates the card 2. Associates it to the TRU you chose during the hire process
Change an employee's work location	Sets the following. • State for unemployment calculation • State for disability calculation • Primary work location
For work-at-home employees, change their home state address	Updates the following. • State for unemployment (SUI) and disability insurance (SDI) • Primary work address **Note:** This doesn't apply to Pennsylvania PSD codes. For further info, see Pennsylvania Local Earned Income Tax in the Help Center.
Change their work-at-home status	Updates the following. • Primary work location

When you do this	This occurs
Rehire an employee	• If you hire the employee into the same TRU as before, reuses the existing tax card • If you hire the employee into a different TRU, doesn't create an association
Add a secondary assignment	If the secondary assignment is in the same TRU as the primary assignment, the card uses the same association. Otherwise, you must: • Create an association for it on the current tax card. • Use a different tax card, and define the association there.

Note: When you change a location's address, the Sync Calculation Card process doesn't apply that change to any employee records. You must manually make the applicable updates to the records of employees assigned to that location.

Here's how to disable automatic updates of the Tax Withholding card.

1. Search for and start the Payroll Process Configuration task from your implementation project.
2. Select the **Default** group, and set the **Create DIR Card** value to **HRSYNCDISABLE**.

Related Topics

- Create and Update the Tax Withholding Card
- What Is the Tax Withholding Card

Manually Configure the Tax Withholding Card

The Tax Withholding card represents the employees' federal and state tax withholding form.

This card is very flexible and can support multiple manual configurations.

When you're doing this	Where's what you can do
Manually creating the card	• Create a default card. For example, you must manually create the card in these situations. o You've disabled the automatic card creation feature. o You loaded employee records through HCM Data Loader (HDL). • Create additional cards for an employee with multiple payroll relationships.
Modifying an existing card	• Add a tax reporting unit (TRU) association. • Add more work locations. For example, when a card doesn't inherit location changes, you must use the Calculation Cards task to manually update it. • Adjust filing status, allowances, and withholding exemptions.
Transferring an employee	• When transferring between payroll statutory units (PSUs), create a card for the new PSU.

When you're doing this	Where's what you can do
	• Update the card for an employee transferring between TRUs. • Update the card for an employee transferring to a new location.
Capturing other HR changes	• Sync the tax card to reflect changes to a person's HR data.

Default State and Local Withholding Info on the Tax Withholding Card

When a Tax Withholding Card is created, either manually or automatically, it has no default state and local components. If your employee requests special state or local withholding, you must specifically create their components.

To do this, click **Create Default State and Local Withholding**. This adds regional components based on the person's work and resident addresses.

Note: If you don't add state and local components to the tax card, the payroll process uses the state's default settings.

Manually Sync Tax Withholding Cards to HR Data

If you have disabled the automatic sync process, you can use the Sync Calculation Cards process to sync all employee HR data to their Tax Withholding cards.

Use the **Default Primary Address and State of Disability and Unemployment** mode.

Note: When you run this process manually, it updates only your latest changes. It doesn't update historical data.

How the Tax Withholding Card Handles Employee Work States

The Tax Withholding Card uses a default work state for determining taxes.

Here's some things to consider for the employee's work state.

- Default work state calculation
- Multiple work state configuration

Default Work State Calculation

When you manually assign an employee a Tax Withholding Card using the Create Default State and Local Withholding process, the process associates the card with the employee's default work state.

The payroll process uses the default work state for calculating state unemployment (SUI) and state disability insurance (SDI).

Associating the SUI and SDI state with where the employee works occurs automatically, unless you have disabled the sync process. If that's the case, run the Sync Calculation Cards process. This process syncs the employee data with the tax card.

Multiple Work State Configuration

Employees working in multiple states require special Tax Withholding card configurations. If the employees' assignments are in different payroll statutory units (PSU), they would have separate tax cards for each.

If the additional assignments are in the same PSU, you must add the appropriate location-based nodes to the default card. The nodes represent the state, county, and city.

Here's how you can edit the Tax Withholding card.

1. Open the person's Tax Withholding card for editing.
2. Create the appropriate tax reporting unit (TRU) associations.

Note: Some payroll actions automatically establish TRU associations. This includes actions like adding assignments, hiring, and employee transfers.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

Tax Withholding Card Regional Tax Info

The **Regional** section of the Tax Withholding Card provides multiple sections that include fields applicable to various states and territories. They are necessary for accurate tax withholding calculation.

State or territory	Section of the card	Field	How you use it
All	State Tax Information	Exemption for Military Spouse	Identifies the employee as eligible for military spouse tax exemption. This field is for informational purposes only. As the employer, you're responsible for applying the tax exemptions. For further info, see Wage Accumulation below.
All	State Tax Additional Information	Nonresident	Indicates if the employee is a nonresident of that state or territory. **Note:** Some states store this field in the **State Tax Information** section.
All	State Tax Additional Information	Resident Wage Accumulation	For use in determining courtesy withholding rules. For further info, see Oracle Cloud Human Capital Management for

State or territory	Section of the card	Field	How you use it
			the United States: Courtesy Tax Implementation (2138998.1) on My Oracle Support.
AR, AZ, NJ	State Tax Additional Information	Optional Calculation Method	Designates which table to use for the calculation of the state tax.
PR	State Tax Additional Information	Secondary Allowance	Claims secondary allowances for Puerto Rico.

Use the HDL to update these values for multiple employees.

Related Topics

- What Is the Tax Withholding Card

How do I set withholding overrides on the tax card for the US?

You can set tax withholding overrides in the **Withholding Exemption** section on the card's federal or state components.

Here are the overrides you can set for these components.

- Regular Amount
- Regular Rate
- Supplemental Amount
- Supplemental Rate

When you do, consider the following.

- If you enter values for both amount and rate overrides, the amount takes priority over the rate.
- If the employee is exempt from federal (FIT) or state income tax (SIT) withholding or wage accumulation, the payroll process ignores these overrides.
- For employees who want to withhold a specific amount, use the **Regular Amount** and **Supplemental Amount** overrides. Don't mark them as exempt.
- Regular earnings always use the regular overrides, regardless of which run processes them.
- If you've enabled period-to-date calculations, the payroll process doesn't consider the prior run values for these when calculating the current pay period.

Related Topics

- What Is the Tax Withholding Card

Tax Withholding Card Tax and Wage Accumulation Exemptions

On the Tax Withholding card, the Federal and Regional components offer fields that allow you to exempt an employee from tax withholding and wage accumulation.

Component	Field name	What its options do
Federal	Exempt from Federal Income Tax Withholding	Yes 1. Doesn't withhold federal income tax (FIT) 2. Accumulates wages No 1. Withholds FIT 2. Accumulates wages
	Federal Income Tax	Exempt from wage accumulation and tax withholding 1. Doesn't withhold FIT 2. Doesn't accumulate wages Not exempt from wage accumulation and tax withholding 1. Withholds FIT 2. Accumulates wages
	Federal Unemployment	Exempt from tax withholding 1. Doesn't withhold federal unemployment (FUTA) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold FUTA 2. Doesn't accumulate wages Not exempt 1. Withholds FUTA 2. Accumulates wages
	Medicare	Exempt from tax withholding 1. Doesn't withhold Medicare 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold Medicare 2. Doesn't accumulate wages Not exempt 1. Withholds Medicare 2. Accumulates wages
	Social Security	Exempt from tax withholding 1. Doesn't withhold Social Security (SS) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold SS

Component	Field name	What its options do
		2. Doesn't accumulate wages Not exempt 1. Withholds SS 2. Accumulates wages
Regional	Exempt from State Income Tax Withholding	Yes 1. Doesn't withhold state income tax (SIT) 2. Accumulates wages No 1. Withholds SIT 2. Accumulates wages
	State Income Tax	Exempt from wage accumulation and tax withholding 1. Doesn't withhold SIT 2. Doesn't accumulate wages Not exempt from wage accumulation and tax withholding 1. Withholds SIT 2. Accumulates wages
	State Disability Insurance	Exempt from tax withholding 1. Doesn't withhold state disability insurance (SDI) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold SDI 2. Doesn't accumulate wages Not exempt 1. Withholds SDI 2. Accumulates wages
	State Unemployment	Exempt from tax withholding 1. Doesn't withhold state unemployment insurance (SUI) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold SUI 2. Doesn't accumulate wages Not exempt 1. Withholds SUI 2. Accumulates wages
	Exempt from City or Township Income Tax Withholding	Yes

Component	Field name	What its options do
		1. Doesn't withhold city or township income tax 2. Accumulates wages No 1. Withholds city or township income tax 2. Accumulates wages
	Family Leave Insurance	Exempt from tax withholding 1. Doesn't withhold family leave insurance (FLI) 2. Accumulates wages Exempt from wage accumulation and tax withholding 1. Doesn't withhold FLI 2. Doesn't accumulate wages Not exempt 1. Withholds FLI 2. Accumulates wages

Related Topics

- What Is the Tax Withholding Card

Associate Tax Reporting Units on the Tax Withholding Card

Associating a tax reporting unit (TRU) with a Tax Withholding Card enables the payroll process to apply rules and rates defined for the TRU when calculating taxes.

To add a TRU association to the card:

1. Click **Associations**.
2. Click **Add**.

Associations determine:

- Which rates and rules held at TRU level apply to the calculation of the components
- How the calculations are aggregated for tax reporting

  What you can enter here varies by state.

By default, the card associates all components with the same TRU, but you can associate individual components with different TRUs. If a person has multiple assignments, you can associate specific assignments with calculation components.

Some payroll actions automatically establish TRU associations, such as adding assignments, hiring, and employee transfers.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.

- If you don't provide any payroll info at all, the process doesn't create the TRU association.

Here's how you configure TRU associations.

If you have	What you can do	How you do it
Multiple TRUs	By default, the card associates all components with the same TRU, except when there are multiple assignments and multiple TRUs. Then you must select a TRU for each assignment. You can't associate the same assignment to multiple TRUs.	1. Click **Associations**. 2. If this is the person's first association, click **Add**. 3. In **Assignment details**, click **Add**. 4. Select the assignment you're associating with the TRU. 5. Click **Submit**.
Multiple assignments	If a person has multiple assignments, you can: • Associate them with separate TRUs • Associate them with the same TRU	1. Click **Associations**. 2. Click **Add**. 3. Select the assignment, 4. Click **Submit**.

You can't change a TRU association once you have used it with a balance adjustment, payroll run, or QuickPay payroll action.

Note: When using the Employment task to define additional assignments for a person, you can change their primary assignment, but you can't associate it with a different TRU.

Related Topics

- What Is the Tax Withholding Card

How do I use HCM Experience Design Studio to configure Tax Withholding card fields?

Use HCM Experience Design Studio to configure what fields are visible on these calculation cards.

- Tax Withholding
- Tax Withholding for Pensions and Annuities

For further info, see HCM Experience Design Studio in the Help Center.

To do this, you must:

1. Create a sandbox with HCM Experience Design Studio enabled.
2. Use HCM Experience Design Studio to configure your tax card templates.

Create a Sandbox

Before you can begin configuring the tax card templates, you need to create a sandbox for HCM Experience Design Studio.

1. From the Navigator, expand **Configuration** and click **Sandboxes**.
2. Click **Create Sandbox**.
3. Enter a name for your sandbox.

4. Select these names as Active.
    - Flexfields
    - HCM Experience Design Studio
    - Page Composer
5. Click **Create and Enter**.

    This creates your sandbox and makes it active.

Configure Your Tax Card Templates

Use HCM Experience Design Studio to set the rules that define the visibility of the tax card fields.

1. In **Tools**, click **HCM Experience Design Studio**.
2. Select the **Global Calculation Card** action.

    Don't select **Calculation Cards**.
3. In **Rules**, click **Add**.
4. In **Basic Details**, enter the following.

Field label	What you do
Name Description	Enter meaningful values.
Legal Employer	Select your legal employer. Select **All** to define this rule for all legal employers.
Country	Select United States. **Note:** You can use browser search to help you find it.
Legislative Data Group	Enter the legislative data group you would like to update.
Calculation Card	Select the template you're editing. - Tax Withholding - Tax Withholding for Pension and Annuity Payments
Calculation Component	Select the component you're editing. - Federal Taxes

Field label	What you do
	○ State Taxes ○ County Taxes ○ City Taxes ○ Pennsylvania PSD
Reference 1 - 4	For taxes that require jurisdictions (state, county, city, and Pennsylvania PSD), use these fields to identify the jurisdiction type. For example, if you selected the **City** calculation component, you would set the following. ○ Reference 1: State ○ Reference 2: County ○ Reference 3: City
Reference Value 1 - 4	Select a jurisdiction for each reference you defined for your tax.
Legal Employer	Select your legal employer. Select **All** to define this rule for all legal employers.
Role Name	Select a role to reserve this rule to that role only. Leave blank to make your rule available to all roles.
Mode	Identify which interface this rule applies to. ○ Employee self service ○ Payroll administration Leave blank to apply to both.

5. In **Page Attributes**, select the **Region** appropriate to the calculation component you selected.

   For example, if you selected the **State Taxes** calculation component, select **State Tax Information**.

   Page Attributes displays all fields available for that calculation component.
6. Define what calculation component fields are visible to the user and which are required or optional.
7. When finished, click **Save and Close**.
8. Once you have completed your updates in the sandbox, you can publish them to your production environment.

Sync Calculation Cards for the US

Your employees' payroll and HR data is interconnected and shared across tasks. Normally, when you make a change in one area, a sync process automatically makes the appropriate updates everywhere else.

However, there are cases where you must manually perform the sync, including if you have disabled automatic sync entirely. In these cases, you can run the Sync Calculation Cards process to update your employees' tax cards after making changes.

> **Note:** When you run this process manually, it updates only your latest changes. It doesn't update historical data.

For further info, see Tax Withholding Card in the Help Center.

Run this process whenever you make changes to a person's data and you have disabled the automatic sync process.

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Enter your US legislative data group (LDG), and select **Sync Calculation Cards**.

Process Parameters

Calculation Card

Select **Employee Withholding Certificate**.

Mode

Select **Default Primary Address and State of Disability and Unemployment**.

Normally, whenever you change a person's work location, the sync process updates the appropriate state unemployment insurance (SUI), state disability insurance (SDI), and work address info on the tax card.

If you have disabled this process, select this value to update the impacted cards.

Payroll Statutory Unit

To sync calculation cards for employees in a specific payroll statutory unit (PSU), select it here.

Leave blank to run for employees in all PSUs.

Tax Reporting Unit

To sync calculation cards for employees in a specific tax reporting unit (TRU), select it here.

Leave blank to run for employees in all TRUs.

Payroll

To sync calculation cards for employees attached to a specific payroll definition, select it here.

Leave blank to run against all definitions.

Person

To sync calculation cards for a specific person, select them here. If the person has multiple payroll relationships, this process syncs the cards attached to all of them.

Leave blank to run against all employees.

Payroll Relationship

To sync calculation cards for a specific payroll relationship, select it here.

Leave blank to run against all employees and all their payroll relationships.

Process Configuration Group

Select the process configuration group if you have defined one. Use a process configuration group to provide sets of processing parameters, primarily related to logging and performance. If you don't select a process configuration group, the process uses the parameters in the default group.

Related Topics

- Examples of Updating the Tax Withholding Card After a Location Change
- What Is the Tax Withholding Card

Examples of Updating the Tax Withholding Card After a Location Change

Here are some examples on how to change a person's location and the impact of those changes to their Tax Withholding card.

What kind of change you make	What you do
Transfer a single assignment to a new work location	If you have HR sync enabled, performing the transfer automatically updates the tax card. If you have disabled this process, you can: • Run the Sync Calculation Cards process. • Update the card manually. If the state's filing status and withholding allowances don't follow federal, you must update those values.
Transfer a person to a new legal entity	Update their primary residence address.
Transfer a work-at-home employee	Update their primary residence address.

For further info, see the following sections.

Transfer a Single Assignment to a New Location

In this example, you want to update info for an employee who works at a single location but has been transferred to a different single location. Normally, the HR sync process automatically performs this update. However, in this case, you have disabled it and now must perform the updates manually.

1. Update their location.
    a. In **My Client Groups**, click **Person Management**.
    b. Search for and select the employee you're transferring.
    c. Start the Employment task.
    d. In **Edit** and then **Update**.
    e. Set an effective date, and select the **Location Change** action.
    f. Change the employee work location to the correct state.
    g. Save your changes.

2. If required, update the person's tax reporting unit (TRU) associations on their Tax Withholding card.

   If a single TRU association exists on the card, the process uses that association. No action is required.

   If multiple TRU associations exist, the process doesn't establish any association for the assignment. You must create it.

   a. In **My Client Groups**, click **Payroll**.
   b. Click **Calculation Cards**.
   c. Search for and select the employee you're transferring.
   d. Open their Tax Withholding card for editing.
   e. Set the date of the transfer as the effective date.
   f. In **Associations**, select the person's TRU.
   g. Click **Edit** and then **Update**.
   h. Select the person's primary work address.
   i. Specify the state for unemployment and disability calculations.
   j. Specify the necessary state, county, and city components.
   k. Click **Save and Close**.
3. In **Withholding Details**, select **Add Tax Withholding** and click **Create Default State and Local Withholding**.

   This adds regional components based on the person's work and home locations.

   If you don't do this, the payroll process uses the default withholding as defined by the state's tax authority.
4. If you need to add additional state and local withholding info:

   a. In **Withholding Details**, select **Add Tax Withholding** and click **Add Withholding Information**.
   b. Add the appropriate state, county, and city jurisdictions, and click **Apply**.

Transfer a Single Assignment to a New Legal Entity

In this example, you want to transfer an employee who has a single work relationship to a different legal entity, with a new payroll assignment.

1. In **My Client Groups**, click **Show More**.
2. In **Employment**, click **Local and Global Transfer**.
3. Search for and select the employee.
4. Select the info you want to transfer, and click **Continue**.
5. In **When and Why**, define all required info, including the person's new legal employer.
6. Complete all other steps, and submit the process.

If you have HR sync turned on, here's what the task does when you submit these changes.

1. Creates an assignment for the employee.
2. Creates a Tax Withholding card for the new legal entity.
3. Updates **Primary work address**.
4. Updates the state for unemployment and disability calculations.

Transfer a Work-at-Home Employee

In cases where a work-at-home employee moves to a different state, use the Person Management task to update their primary residence address. When you finish, the HR sync process automatically updates their Tax Withholding card with the correct primary work address, state disability, and unemployment info.

FAQ for Calculation Cards

How do I automatically assign W-4s to US employees?

Implementations with Payroll or Payroll Interface licenses automatically assign employees a Tax Withholding Card.

To enable this for your enterprise, use the Manage Features by Country or Territory task from the Setup and Maintenance work area. When you select **Payroll** or **Payroll Interface**, all workers automatically receive a Tax Withholding Card whenever you hire them or assign them a payroll relationship.

How can I view a person's W-4?

Use the Calculation Cards task.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Select their Tax Withholding card for editing.

   To view the federal W-4, select **Show Employee W-4 PDF** from the federal **Action** menu.

   To view a state W-4, select **Show Employee W-4 PDF** from the appropriate regional **Action** menu.

Related Topics

- What Is the Tax Withholding Card

How can I check for employees who don't have a Tax Withholding card?

Use the US Payroll Tax Card Validation test to verify that a Tax Withholding card and assignment exists for each employee.

You must have an application implementation consultant job role to have access to the diagnostic dashboard.

How do I disable automatic updates on the Tax Withholding card?

To disable automatic updates of the Tax Withholding card, search for and start the Manage Payroll Process Configuration task from your implementation project.

Select **Default** group, and set **Create Dir Card** to **HRSYNCDISABLE**.

Remove this process parameter value after you're ready for the automated changes to start again.

With automatic updates disabled, any location or assignment changes don't trigger updates to the Tax Withholding card. In those cases, you must manually update the card. Use the Sync Calculation Cards flow to sync all employees' HR data to their tax cards.

Related Topics

- What Is the Tax Withholding Card

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 • 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

What happens if my state Form W-4 copies the federal W-4?

An employee can perform their own updates on on Form W-4 for both federal and state withholding. This form is an editable PDF file with the state name in the header.

The employee can find their W-4:

- **Pay and Tax Withholding** under **Me**.

- **Personal Information** in **My Details**

When the employer or employee makes a change that causes an automatic update of the Tax Withholding card, one of two things happens.

- If the change is made in a state where the state form copies the federal, it copies the filing status from federal to state withholding.
- If the employee is transferring to a state that uses a separate withholding form, the employer must provide new address information. From **My Client Groups**, click **Payroll**. Start the Calculation Cards task. Search for the person, and open their Tax Withholding card for editing. Click **Regional**, and from there, they can get the new address information to create state, county, and city components.

How can I view a person's withholding and allowances history?

You can view the history of all selections a person has made to their Form W-4 during their employment with you.

To do this, use the Calculation Cards task to open their Tax Withholding card. In **Withholding Details**, select the appropriate federal or regional link. Click **Edit**, and select **View History**.

Related Topics

- What Is the Tax Withholding Card

How do I display retirement eligibility info on the Tax Withholding card?

You enable this by editing the person's Reporting Information Calculation Card.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Reporting Information Calculation Card for editing.
5. Set **Eligible for Retirement Plan** to **Yes**.

You can set this option even if the employee isn't currently contributing to a plan.

Related Topics

- What Is the Reporting Information Card for the US?

What processing and sorting values are required for W-2s generated by ADP?

ADP requires you set special processing and sort code values on your employee and retiree Reporting Information cards before you generate W-2s through them.

To set these special ADP values:

1. Open the person's Reporting Information card for editing.
2. Click the **Federal** component group.
3. Click the **Reporting Information** calculation component.
4. Expand the **Third-Party Interfaces** calculation component detail.
5. Set values for these fields.
    - **ADP Special Processing Required**
      Indicates whether the employee's W-2 should be excluded from main population printing.
    - **ADP Special Sort Code**

Provides additional data for sort options G and E in the ADP client maintenance application.

Refer to the ADP documentation for more info about these values.

Federal and Regional Tax Configuration

Federal and Regional Taxes

You use the organization calculation cards to define federal and regional tax calculation rules at the payroll statutory unit (PSU) and legal reporting unit (LRU) levels.

Note: For tax calculation purposes, you must designate your LRUs as tax reporting units (TRUs).

Info you set for a PSU applies to all TRUs attached to it. Info you set for a TRU overrides the info you set for its parent PSU.

You can set these values using the Legal Entity Calculation Cards task from your implementation project. With this task, you create or configure an organization calculation card for the PSU.

You can configure the options for these taxes.

At these levels	These are the available taxes
Federal	• Federal income tax (FIT) • Federal Unemployment Tax Act (FUTA) • Medicare • Social Security (SS)
State	• State disability insurance (SDI) • State family leave insurance (FLI) • State income tax (SIT) • State long term care (LTC) • State medical leave insurance (MLI) • State unemployment insurance (SUI)
Local	• City taxes • County taxes • School district income tax

You can override these tax values at the TRU level using the Legal Reporting Unit Calculation Cards task. For further info, see Configure Organization Calculation Cards for the US in the Help Center.

Before you configure federal and regional taxes, must have defined and configured these components.

- Your US legislative data group (LDG)

- A legal address for the legal entity
- Any jurisdictions required for the legal entity
- All the appropriate PSU and TRU calculation cards

Calculation Rules for Federal Taxes

You can define the following calculation rules on the organization cards.

Tax type	What you can select	What it does
Federal income tax (FIT)	Supplemental Tax Calculation Method	Indicates how the process taxes supplemental earnings. You can select the following. • **Aggregation** • **Flat Percentage** Do this from **Calculation Component Details** for the FIT component.
	Tax Withholding Rules	Taxes all earnings based on withholding rules. You can select the following. • **All states** • **Only states under state tax rules** If you select this, you must add those states in **Regional Component Group**. Do this from **Calculation Component Details** for the FIT component.
	Enable Period-to-Date Tax Calculation	By default, multiple regular payroll runs in the same period are taxed as if they're individual payments. When you set this to **Yes**, multiple payroll runs are taxed as if they're paid as one payment. This option can possibly increase the tax bracket. Do this from **Calculation Component Details** for the FIT component. **Note:** This applies to state income tax (SIT) as well.
	Aggregate Overtime Premium Rate for all TRUs within the PSU	Determines how to calculate the premium overtime rate of multiple tax reporting units (TRUs) under the same payroll statutory unit (PSU). Do this on the **Overtime Rules** calculation component.

Tax type	What you can select	What it does
	Enforce Federal Income Tax Look-Back Rule	Determines if the payroll process withholds FIT from the employees' supplemental earnings using the aggregate tax method instead of the flat rate. Do this from **Enterable Calculation Values on Calculation Cards** for the FIT component.
Medicare	Self-Adjustment Method	Evaluates the earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.
Federal unemployment insurance (FUTA)	Employer Self-Adjustment Method	Evaluates the earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.
	Federal Unemployment Employer Rate override	If you have locations in a FUTA credit reduction state, your FUTA rate might change. FUTA credit reduction rates are predefined for each of the states that require a credit reduction and are updated annually. In certain circumstances, you must override these rates. Use the Calculation Value Definitions task to set an override rate.
Social Security	Self-Adjustment Method	Evaluates the earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.
Limit taxes	Federal Tax Limit Enforcement Level	Define how the payroll process tracks limits for federal taxes.
	State Tax Limit Enforcement Level	Define how the payroll process tracks limits for state taxes.

To define these calculation rules:

1. Start the Legal Entity Calculation Cards task from your implementation project, and open the card.
2. Select **Federal**.
3. Provide the effective date, and select the appropriate calculation component.
4. In **Details**, set the values you want to use.
5. Click **Save and Close**.

Calculation Rules for Regional Taxes

You can define the following regional calculation rules on the payroll statutory unit (PSU) organization card.

Tax Type	What you can select	What it does
State disability insurance (SDI)	Self-Adjustment Method	Evaluates the earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual maximum limit, the payroll process no longer calculates the tax.
	SDI Employee Rate override	Sets the rate override for those states where the employee pays SDI.
State family leave insurance (FLI)	Exempt from Family Leave Insurance	For eligible states, identifies all employees in the PSU as exempt.
	Family Leave Insurance Wage Limit	For eligible states, sets the wage limit for this PSU.
	FLI Employee Percentage	For eligible states, sets the percentage for employee FLI contributions.
	FLI Employer Percentage	For eligible states, sets the percentage for employer FLI contributions.
State medical leave insurance (MLI)	Exempt from MLI Employer Liability	For eligible states, identifies this PSU as exempt.
	MLI Employee Percentage	For eligible states, sets the percentage for employee MLI contributions.
	MLI Employer Percentage	For eligible states, sets the percentage for employer MLI contributions.
State long term care (LTC)	Exempt From Long Term Care Insurance	For eligible states, identifies all employees in the PSU as exempt.
	Long Term Care Insurance Employee Percentage	For eligible states, sets the percentage for employee LTC contributions.
	Long Term Care Insurance Wage Limit	For eligible states, overrides the wage limit for this PSU.

Tax Type	What you can select	What it does
State income tax (SIT)	Calculate PA Resident Tax for Non-PA Work Location	For Pennsylvania PSUs, enables the calculation of Pennsylvania resident taxes for employees working in locations out of the state.
	City Tax Withholding Rule	Indicates if all earnings are taxed based on the defined city tax withholding rule.
	County Tax Withholding Rule	Indicates if all earnings are taxed based on the defined county tax withholding rule.
	Resident Wage Accumulation	Identifies the appropriate resident wage accumulation method. The payroll process automatically withholds for all states using the default action for each state.
	Supplemental Tax Calculation Method	Indicates how the payroll process taxes supplemental earnings. You can select the following. • Aggregation • Alternate Flat Rate • Annualized Previous Aggregations • Default Method • Flat Rate • Flat Rate Combined • Percentage of Federal Tax • Tiered Flat Rate • Tiered Flat Rate, Multiple Tables
	TCD Combined Filing Proxy	For registered combined filers for Pennsylvania Act 32 taxes, specifies the Tax Collection District (TCD) combined-filing proxy.
	Enable Period-to-Date Tax Calculation	Taxes multiple payroll runs as if they're paid as one payment. You configure this at the FIT level. For further info, see Calculation Rules for Federal Taxes in the Help Center.
State unemployement insurance (SUI)	Credit Employer SUI Wages Earned in Other States	Enforces how the payroll process calculates SUI wage credits for employee transfers. For example, some don't give credit for SUI paid in other work states.
	Self-Adjustment Method	Evaluates the earnings and tax amounts to ensure they're correct with a given tax rate. When all subject earnings reach the annual

Tax Type	What you can select	What it does
		maximum limit, the payroll process no longer calculates the tax.
	SUI Employee Rate override	Sets the rate override for those states where the employee also pays SUI.
	SUI Employer Rate override	Sets the rate override. Employer contribution payments under the SUI compensation laws vary based on each employer's experience with unemployment. The employer experience rate varies for every employer and changes over time. In general, the less involuntary unemployment your workers experience, the lower your rate. **Note:** For states that have taxes in conjunction with SUI or SDI, you must increase your SUI or SDI employer rates appropriately. Carefully examine your state-issued rate notifications to determine if the state has included these special taxes in the overall rate notification. For example, the following special taxes are cases where this kind of SUI rate adjustment would be required. • Kentucky SUI Service Capacity Upgrade Fund • Massachusetts SUI Workforce Training Fund • Nevada SUI Career Enhancement Program • Nevada SUI Bond Obligation Assessment • South Carolina SUI Administration Contingency Assessment
	SUI Wage Limit for Employer	Establishes SUI wage limits at the TRU and PSU levels. For further info, see Wage Limits for State Unemployment Insurance in the Help Center.
County Tax	Resident wage accumulation	Identifies the appropriate resident wage accumulation method.

Tax Type	What you can select	What it does
	Taxation threshold hours	Sets the number work hours after which the payroll process begins calculating and withholding taxes. This field is informational.
City Tax	Resident wage accumulation	Selects the appropriate resident wage accumulation method.
	Taxation threshold hours	Sets the number work hours after which the payroll process begins calculating and withholding taxes. This field is informational.

To define these calculation rules:

1. To define them at the PSU level, start the Legal Entity Calculation Cards task from your implementation project. To define them at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task. Settings at the TRU level override those at the PSU level.
2. In **Component Groups**, select the appropriate regional component. Create it if it doesn't exist.
3. Provide the effective date, and select the appropriate calculation component.
4. In **Calculation Component Details**, set the values you want to use. You must click **Save** before you can add any county or city rules.
5. Repeat these steps to define the appropriate values at the county and city levels.

How do I override tax calculation rules for the US?

You can override a tax calculation value or rule on multiple levels.

- Use the Legal Entity Calculation Cards task from your implementation project to set overrides for federal and regional taxes at the payroll statutory unit (PSU) level.
- To set these overrides at the tax reporting unit (TRU) level, use the Legal Reporting Unit Calculation Cards task from your implementation project. Any settings you make on the TRU organization card override the settings on the PSU organization card.
- To make changes to an individual employee's Tax Withholding card, use the Calculation Entries task. These settings override those on the organization cards.
  You can override the following on a person's card.

Override method	What it does
Regular Amount	Uses a set amount, such as $100.

Override method	What it does
Regular Rate	Uses a regular rate indicated as a percentage.
Supplemental Rate	Uses a supplemental rate for supplemental wages indicated as a percentage.
Supplemental Amount	Uses a set amount for supplemental wages, such as $100.

How the Payroll Process Determines the Employee Work State

For some state taxes, such as unemployment insurance (SUI) and disability insurance (SDI), the payroll process must determine the employee's state of employment.

> **Note:** Retirees aren't subject to unemployment or disability taxes. Therefore the following hierarchy doesn't apply to them.

How the work state is determined

The payroll process uses this hierarchy based on the derived jurisdictions on employee's Tax Jurisdictions card and the assignments and associations set on their Tax Withholding card.

1. If the employee is designated as work-at-home, it checks for an Override calculation component in Resident Tax Jurisdictions on the Tax Jurisdictions card.
    - If there is, it uses the state identified on the override component.
    - If there's no override, it uses the state associated with the person's residence tax address, as set in the **Resident Tax Jurisdictions** calculation component.
2. If the employee isn't work-at-home, the process uses the state associated with their primary work tax address, as set in **US Taxation** component on their Tax Withholding card.

> **Note:** If there's no primary assignment associated with the tax reporting unit (TRU), the payroll process applies this hierarchy to the assignment with the lowest assignment ID associated with that TRU.

Federal Taxes

Federal Income Tax Look-Back Rule

The federal income tax (FIT) look-back rule helps define how the payroll process calculates an employee's FIT withholding.

When enabled, the process evaluates the employee's FIT withholding across the prior and current years. If it finds they haven't withheld FIT from their wages, it taxes any supplemental earnings using the aggregate tax method instead of the flat rate.

How you manage this rule for your organization

This rule is enabled by default. To disable it or re-enable it for your organization:

1. Start either the Legal Entity Calculation Cards or Legal Reporting Unit Calculation Cards task from your implementation project.

   Settings on the tax reporting unit card override those on the payroll statutory unit card.
2. Select the organization card for editing.

   Create it if it doesn't exist.
3. Enter an effective date, and select **Federal**.
4. Select **Federal Income Tax**.
5. Click **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. For **Enforce Federal Income Tax Look-Back Rule**, select **Yes** or **No** as appropriate.
8. Click **Save and Close**.

How you manage this rule for an individual employee

To set this rule for an individual employee:

1. From **My Client Groups**, click **Payroll**.
2. Start the **Calculation Entries** task.
3. Search for the employee, and open their Tax Withholding card for editing.
4. Open the **Federal** component for editing.
5. In **Withholding Exception**, select whether you are enforcing the FIT look-back rule.
6. Click **Save and Close**.

Federal Unemployment Tax Act Calculations

The payroll process supports the calculation of Federal Unemployment Tax Act (FUTA) liabilities.

There are several configurations you can perform in support of these calculations.

What you can do	What this means	How you do it
Override the FUTA credit reduction rate	FUTA credit reductions rates are predefined for each of the states that require a credit reduction. They are updated annually during end-of-year legislative updates. If a state continues to have an outstanding loan through November, an additional 0.3% credit reduction might apply. An additional benefit cost rate add-on tax might also potentially apply. In certain circumstances, you must override these rates.	1. Start the Calculation Value Definitions task. 2. Perform an advanced search for the name that contains **Credit Reduction** in your legislative data group (LDG). Be sure to search with the effective date that you want to update the rate. 3. Select the appropriate FUTA reduction rate from the search results. 4. From the **Actions** menu, select **Add Row**. 5. Enter values for **From Value**, **To Value**, and **Rate**. 6. Click **Submit** and **Done**.

What you can do	What this means	How you do it
Override the FUTA rate	You can override the standard FUTA rates at the payroll statutory unit or tax reporting unit levels.	1. Navigate to one of the following from your implementation project, depending on which level you're configuring. o Legal Entity Calculation Cards o Legal Reporting Unit Calculation Cards 2. Start the Calculation Rules for Tax Reporting and Payroll Statutory Unit task. 3. Enter the appropriate effective as-of-date. 4. Click **Federal Unemployment Calculation Component**. 5. Select **Enterable Calculation Values on Calculation Cards**. 6. Click **Create**. 7. Select **Federal Unemployment Employer Rate** for the name. 8. Enter the rate as a decimal. For example, enter 1% as **0.01**. 9. Save and submit.
Override the FUTA standard value definitions	The standard value definitions for FUTA tax and FUTA wage limit are predefined. You can view these definitions and override their values at the LDG level.	1. Start the Calculation Value Definitions task. 2. Search for **Federal Unemployment Tax**. 3. Select either the rate or wage limit link. 4. In **Calculation Values**, add an effective dated row. 5. Enter the new info. 6. Save and submit.
Perform a tax adjustment for employees impacted by a FUTA rate change	You set the FUTA tax self-adjustment configurations on the organization calculation cards. The Department of Labor typically announces the year's FUTA credit reduction rates in the November to December time frame. Despite the rate being announced late in the year, you're responsible for ensuring the new rate is applied to the full year's taxes. The payroll process doesn't self-adjust if the employees have already reached their wage limit or have been terminated. Use the US Tax Balance Adjustment flow for any employee requiring FUTA tax adjustment due such a rate change.	1. Run the US Tax Balance Adjustment flow. This flow creates a balance adjustment batch. The batch uses the same name as the flow you used when you ran the process. 2. Download the batch to the HCM Data Loader (HDL). There's no separate audit report. 3. Verify the batch through HDL. 4. Run the Transfer Batch Process. 5. Run the Adjust Multiple Balances process.

Related Topics

- Configure Organization Calculation Cards for the US
- Overview of Balance Adjustments for the US
- US Tax Balance Adjustment Flow

Hours Worked for State Unemployment Insurance

How to Calculate Hours Worked from Balances for the US

Calculation of worked hours is required for state unemployment insurance (SUI) reporting. You report this data in positions 423-426 of the W record for SUI_ER tax codes on the quarterly tax file.

You can use balances to define what hours to include for SUI reporting. There are two balances for accumulating the hours worked for state unemployment reporting.

Balance name	What it does
SUI Eligible Hours	This balance has no predefined feeds. If you don't define a feed, the payroll calculation doesn't accumulate hours for this balance nor the State Worked Hours balance. You must define the balance feeds using the elements with hours that are eligible for reporting of state unemployment at the start of a quarter. During payroll calculation, this balance accumulates the hours for any state using the elements fed to it. If you perform these configurations after the start of the quarter, they apply to the hours worked on the subsequent payroll runs only. You must perform balance adjustments to the State Worked Hours balance to resolve this shortfall.
State Worked Hours	When you define a balance feed for SUI Eligible Hours, the payroll process accumulates the hours appropriately and feeds them to this balance. During payroll calculation, this balance accumulates based on: • SUI Eligible Hours balance • SUI state • Wage basis rules defined for the SUI state • Setting of the SUI state specific value definition **Note:** The run result method was discontinued effective January 1, 2023.

Using these balances and their associated wage basis rules and value definitions, you can control what hours are reported on the quarterly tax file.

Note: The quarterly file for SUI reporting includes only quarter-to-date hours. It doesn't include year-to-date hours.

How you can use wage basis rules

The Component Group Rules task provides the **State Unemployment Hours** component under the **Regional** component group. Use this component to define any wage basis rule overrides for calculating hours worked. Because there are no predefined wage basis rules for hours worked accumulation, all hours fed to the SUI Eligible Hours balance are accumulated.

The payroll process applies these wage basis rules to the State Worked Hours balance accumulation during its calculations. It doesn't apply them to the SUI Eligible Hours balance.

How you can use value definitions

State and territory-based calculation value definitions are available in support of calculating hours worked based on balances.

These value definitions use this naming convention.

```
<state abbrev> SUI Include Hours Worked in All States
```

Use them to define if hours worked in other states contribute to the SUI state worked hours.

The default for these value definitions is to allow hours in other states to contribute to the given SUI state worked hours. The payroll process accumulates these hours in the SUI state's State Worked Hours balance. If you change a state's default value definition, the process accumulates only the hours for that state into the balance.

> **Note:** This value definition setting has no impact on SUI Eligible Hours balance accumulation.

For example, assume an hourly employee is paid in a weekly pay period and their SUI state is California. They have 32 regular hours in California and 8 regular hours in Idaho. You have fed your regular hours element to the SUI Eligible Hours balance. You have left the default for the CA value definition to allow accumulation of hours from other states.

In this case:

1. The payroll process feeds 32 hours to California's SUI Eligible Hours balance.
2. It feeds 8 hours to Idaho's SUI Eligible Hours balance.
3. As a result, it feeds 40 hours to California's State Worked Hours balance (32 CA hours + 8 ID hours).

   Because California is the person's SUI state, no SUI wages or worked hours are accumulated for Idaho.

How you perform the configuration

Perform these configurations effective as of a calendar quarter start or calendar year start. If you perform them after the start of the quarter, they apply to the hours worked on the subsequent payroll runs only. You must perform balance adjustments to the State Worked Hours balance to resolve this shortfall.

> **Note:** By default, the payroll process accumulates all hours fed to the SUI state's Eligible Hours balance. As a result, it accumulates those hours into the State Worked Hours balance.

You can override this behavior using:

- Regional wage basis rules
- Value definitions

To calculate hours worked based on balances:

1. Define balance feeds to SUI Eligible Hours with a proper effective date. Determine which elements with hours that you want to feed to the balance, such as salary elements, overtime elements, vacation elements, and so on.

   You don't need to feed the State Worked Hours balance. It already has a feed predefined and is populated during payroll calculation by the State Unemployment Hours element.

   > **Note:** You can use this element for balance adjustments to the State Worked Hours balance. If you create your own balance adjustment element, then you would need to define a feed for it to the State Worked Hours balance.

2. Define wage basis rules if any of your SUI states require exclusion from certain types of earnings hours.

   This configuration is necessary if you're feeding SUI Eligible Hours from an Earnings element that has hours counted for some states but not others.

   Some states have specific requirements for what type of hours to include for state unemployment reporting. For all other states and territories, there is no special requirement of what to include.

State	Regular hours	Overtime hours	Vacation hours	Sick hours	Holiday hours
DC	X	X			
MA	X	X	X	X	X
MN	X	X	X	X	X
OR	X	X			
RI	X	X	X		X
WA	X	X	X		X
WY	X	X			

   An X indicates the hours are subject to state unemployment reporting for that state.

3. Review the state-specific Hours Worked value definitions, and update them as needed to account for hours worked in other states.

   For example, by default, Illinois allows hours worked in other states to contribute to the hours worked for Illinois. You would perform these steps to exclude hours worked in other states.

   a. From **My Client Groups**, click **Show More**.
   b. Click **Calculation Value Definitions** under **Payroll**.
   c. Select your US legislative data group (LDG), and enter **State Unemployment** as the value definition group.
   d. As the name, enter the 2-character abbreviation of the state you're changing plus `SUI Include Hours Worked in All States.`

      For example, to view the value definition for Illinois, enter **IL SUI Include Hours Worked in All States**.
   e. Click **Search**.
   f. Click the value definition in the search results.
   g. Enter an appropriate effective as-of date.
   h. In **Calculation Values**, click **Add Row**.
   i. Enter the following to exclude hours worked in other states.

For this column	Enter this
From Value	0
To Value	999999999
Text	N

   j. Click **Submit**.

How to Calculate Hours Worked from Run Results for the US

Calculation of worked hours is required for state unemployment insurance (SUI) reporting. You report this data in positions 423-426 of the W record for SUI_ER tax codes on the quarterly tax file.

> **Note:** This method has been discontinued as of 2023.

The payroll process derives hours worked from run results, based on the Hourly Paid or Salaried field on the employee's assignment. This method doesn't use balances.

- For hourly employees, the process excludes classifications and hours related to premium overtime, shift, and retroactive earnings. Hours related to standard earnings are included.
- For salaried employees, the derivation excludes classifications and hours related to retroactive earnings and imputed earnings and looks for elements with input values of either Hours Worked or Hours Calculated. The process uses the maximum of either of these hours input values for the given effective dates in the quarter.

Note: Prior to Q1 2021, this was the only method available to you. You can now calculate hours worked through balances. For further info, see Calculate Hours Worked from Balances for the US in the Help Center.

To adjust the hours worked using run results, you perform a balance adjustment using an element that includes the correct input value for the hours. Perform this adjustment on a different effective date from any payroll runs. It creates a run result that the payroll process uses in the derivations.

For salaried employees requiring an adjustment to their worked hours, you can use a SQL query to assist with reconciliation prior to the adjustment. Depending on how you configured your elements, the hours could be calculated based on either the Hours Worked or Hours Calculated input values. You need to determine which before doing the adjustment. Use the SQL query to help you. For further info, see Cloud US Payroll: What Is the Logic of Reporting Hours Worked of a Salaried Employee in the Quarterly Extract (2727786.1) on My Oracle Support.

How to Track Weeks Worked for State Unemployment Reporting

Some states require weeks worked for state unemployment insurance (SUI) reporting. The quarterly tax file reports this info on the W record for SUI_ER tax codes in positions 420-421. The payroll process derives weeks worked from the SUI hours reported on the quarterly tax file.

However, you can alternatively use the State Worked Weeks balance to track this info by performing balance adjustments on this balance.

1. The quarterly tax filing extract first checks this balance for a non-zero value.
2. If there is a value in this balance, the extract passes it on the quarterly tax file for the appropriate state.

   If it finds no value, it derives the weeks worked from the SUI hours reported on the quarterly tax file.

   If the hours worked is less than 40, it sets weeks worked to 1.

   The maximum weeks worked is 13.

State Courtesy Taxes

What are courtesy withholding taxes?

In some states, if an employee resides in a different city, county, or state and works in another, they might be required to pay taxes for both localities.

As their employer, you might not be required to withhold and deposit taxes for both.

Note: Individual local and state taxation rules vary. Consult with the appropriate tax authorities for complete compliance info on whether you're required to withhold.

Here's how the courtesy tax withholding hierarchy works

Before you can set up your organization for courtesy withholding, you need to understand the hierarchy courtesy taxes use. Configurations at lower levels override those at higher levels.

1. First it checks the configuration on the payroll statutory unit (PSU).
2. Then it checks the tax reporting unit (TRU).

   Entries here override the PSU.

3. Then it checks the employee Tax Withholding card.

   Entries here override both the TRU and PSU.

State Limit Taxes

What Are Limit Taxes

The payroll process enforces most tax limits at the payroll relationship level. This means it tracks them across the tax reporting units (TRUs) within their parent payroll statutory unit (PSU).

By default, the payroll process enforces the maximum wage and tax limits for all federal limit taxes at the PSU level. For state limit taxes, it does this at the TRU level.

However, you can override how the process tracks these limits.

> **Note:** If you must have multiple PSUs, and you want the payroll process to access person-level balances across them, you can import balances from one PSU to another. For further info, see Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1) on My Oracle Support.

State Reciprocity Agreements

What Are State Reciprocity Agreements

Some states have reciprocity agreements where the employee can claim nonresident status in those states. This allows the employee to have their resident state tax withheld instead of their work state tax.

To accomplish this, you must set **Nonresident** on their tax card to **Yes**.

To allow the employee to claim nonresident status:

1. Start the Calculation Entries task.
2. Search for the person, and open their tax card for editing.
3. In **Regional**, open the employee's state regional component for editing.
4. In **State Tax Additional Information**, identify the person as a nonresident.
5. Click **Save and Close**.

For example, Illinois and Kentucky have a reciprocity agreement. An employee living in Illinois and working in Kentucky would only have to pay Illinois state income tax (SIT). On this employee's tax card, for their work state node (KY), you identify them as a nonresident, excluding them from KY SIT calculations.

Pennsylvania and Maryland Reciprocity

There's a reciprocity agreement for local taxation of Maryland residents working in Pennsylvania. For further info, see Pennsylvania Local Earned Income Tax in the Help Center.

State Unemployment Insurance

State Unemployment Insurance Tax

To properly calculate tax withholding, you must set the state unemployment insurance (SUI) employer rates.

You define them on the payroll statutory unit (PSU) calculation card, and it applies to all associated tax reporting units (TRUs). You can then set overrides for TRUs and individual employees.

What kind of rate info you want to track	How you track it
Employer and employee rates	To enter the SUI rate: 1. Start the Legal Entity Calculation Cards. 2. Enter an effective as-of date. 3. Search for and select for editing an existing PSU calculation card, or create one. 4. In **Calculation Card Overview**, select **Regional**. 5. If entries for the state don't already exist, click **Create** and select the state name. 6. In **Calculation Components**, select the state's State Unemployment row. 7. In **Details**, select **Enterable Calculation Values on Calculation Cards**. 8. Select **State Unemployment Employer Experience Rate**, and click **Edit**. Click **Create** if the row doesn't already exist. 9. In **Edit Calculation Values**, enter the rate and click **OK**. 10. Repeat these steps to set the SUI employee rate. 11. Click **Save**. **Note:** When you enter a SUI rate for a selected state, you must also provide component details for the state disability insurance (SDI) and state income tax (SIT). For further info, see Configure Organization Calculation Cards for the US in the Help Center.
Wage base rates	The payroll process maintains the state-specific SUI limits when: 1. An employee has a change in their work state 2. It's within the same TRU. This includes granting applicable credit for the wages earned in the other state. **Note:** Not all states allow this credit. In these cases, the payroll process doesn't calculate the credit. For further info, refer to your state tax authority. After those limits are reached, the payroll process stops the SUI deductions. It automatically adjusts the new state's SUI limit for the SUI wages you paid in the other state. You can override how the process manages SUI wage limit credits at the PSU and TRU levels. For further info, see Limit Credits for State Unemployment Insurance in the Help Center.

What kind of rate info you want to track	How you track it
Midyear SUI rate changes	For states that regularly perform midyear changes to their SUI tax rates, configure your organization card to use the quarterly self-adjustment method. By checking each quarter individually to determine adjustments, the payroll process maintains the integrity of the calculations before the change. For further info, see Self-Adjustment Methods for Tax Withholding in the Help Center.
Wage limit configuration	Your legislative data group provides the predefined wage limits for state unemployment insurance (SUI). You can override these limits at the payroll statutory unit (PSU) and tax reporting unit (TRU) levels. For further info, see Wage Limits for State Unemployment Insurance in the Help Center.
Tax limit configuration	By default, the payroll process tracks all state taxes with limits at the individual TRU level, such as SUI and SDI. However, you can override this default and track your state-level limit taxes at the parent PSU level. For further info, see Limit Taxes in the Help Center.

Related Topics

- Configure Organization Calculation Cards for the US
- Federal and Regional Taxes for the US
- Limit Credits for State Unemployment Insurance
- What Are Limit Taxes
- Self-Adjustment Methods for Tax Withholding
- Wage Limits for State Unemployment Insurance

Limit Credits for State Unemployment Insurance

If an employee has a change in their work state within the same tax reporting unit (TRU), the payroll process automatically handles the state-specific state unemployment insurance (SUI) limits, including granting applicable credit for the wages earned in the other state.

> **Note:** Not all states allow this credit. In these cases, the payroll process doesn't calculate the credit. For further info, refer to your state tax authority.

Once those limits are reached, the payroll process stops the SUI deductions. It automatically adjusts the new state's SUI limit for the SUI wages you paid in the other state. This means SUI wage base rate overrides aren't necessary.

How to configure your organization

You can change how the payroll process grants or denies SUI wage credits. You can set these overrides at the PSU and TRU levels.

1. To set it for a PSU, start the Legal Entity Calculation Cards task from your implementation project.
   To set it for a TRU, start the Legal Reporting Unit Calculation Cards task from your implementation project.
   Values you set at lower levels override those at higher levels.
2. Select **State Unemployment** for the state you're updating.

Add it if doesn't already exist.

3. Click **Enterable Calculation Values on Calculation Cards**.
4. Click **Add**.
5. From **Display Value**, **select Credit Employer SUI Wages Earned in Other States**.

   For states that also have employee SUI tax, such as Pennsylvania, do this for **Credit Employee SUI Wages Earned in Other States** as well.
6. For those states that give credit, enter **N** in **Value** to revoke it.

   For those states that don't give wage credit, enter **Y** to begin granting it.
7. Click **OK**.
8. Click **Save and Close**.

How to configure individual employees

For the states of Maryland, North Carolina, Oregon and Washington, you can also update this info on the employee's tax card if they work in those states.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Tax Withholding card for editing.
5. Select **Edit** for the state component you're editing.
6. In **Withholding Exemption**, identify if the state grants SUI wage credits.
7. Click **Save and Close**.

How to configure the self-adjustment settings

For states that regularly perform midyear changes to their SUI tax rates, configure your organization card to use the quarterly self-adjustment method. By checking each quarter individually to determine adjustments, the payroll process maintains the integrity of the calculations prior to the change.

Wage Limits for State Unemployment Insurance

Your legislative data group (LDG) provides the predefined wage limits for state unemployment insurance (SUI).

You can override these limits at the payroll statutory unit (PSU) and tax reporting unit (TRU) levels.

1. To set this override at the PSU level, start the Legal Entity Calculation Card task from your implementation project.

   To set it for a TRU, start the Legal Reporting Unit Calculation Card task.

   Limits you set at lower levels override those at higher levels.
2. Search for and select the calculation card.
3. In **Component Groups**, expand **Regional**.
4. Select the state node.

   Add it if doesn't exist.
5. Select **State Unemployment** for the state you're updating.
6. Click **Enterable Calculation Values on Calculation Cards**.
7. Click **Add**.
8. In **Display Value**, select either **SUI Wage Limit for Employer** or **SUI Wage Limit for Employee**, as appropriate.

9. In **Amount**, enter the new wage limit.

   This must be a positive number.
10. Click **OK**.
11. Click **Save and Close**.

Related Topics

- Configure Organization Calculation Cards for the US
- Creating Calculation Cards for Deductions at Different Levels for the US
- Federal and Regional Taxes for the US
- State Unemployment Insurance Tax

School District Taxes

School District Income Taxes

For states that levy school district income taxes, an employee's resident tax address determines their school district. Once derived, both the Tax Jurisdictions and Tax Withholding cards inherit this value at the appropriate levels.

> **Note:** You can disable the Tax Withholding card sync with the **Calculation Card Jurisdiction Sync** value definition if you don't want the card to derive the local tax jurisdictions. If you've disabled the sync process, you must manually populate the school district on the Tax Withholding card. Depending on the state, you set it in either the state or county component. For example:
>
> - You enter Kentucky school districts on the county component.
> - You enter Ohio school districts in the state component.
> - For Pennsylvania Act 32 jurisdictions, you enter the school district on the **Pennsylvania PSD** component.

To change a person's school district tax info, use the Calculation Entries task to update the person's Tax Withholding card.

California Taxes

Voluntary Plan Disability Insurance

You can provide Voluntary Plan Disability Insurance (VPDI) for employees who have opted out of the state disability plan. VPDI plans use the same taxability rules, exemptions, and self-adjustment method as the state disability insurance (SDI) plan.

However, there are some areas you should consider.

- Changing disability plans
- Enabling VPDI tax withholding
- Configuring VPDI rates and wage limits
- Configuring VPDI for individual employees

When you can change disability plans

Whether you're implementing VPDI or reverting to the state plan, you can make this switch only at the beginning of the calendar year. If you change the plan after running the first payroll of the year, you must perform the balance adjustments to move the wages and taxes to the appropriate balances.

How to enable VPDI tax withholding for your organization

You can set VPDI at these levels.

- Payroll statutory unit (PSU)
- Tax reporting unit (TRU)

  This overrides settings on the PSU card.

To enable VPDI for your organization:

1. To configure this plan at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   Use the Legal Reporting Unit Calculation Cards task to configure it at the TRU level.
2. In **Component Groups**, select the California state regional node.
3. In **Calculation Component**, select **State Disability**.
4. Select **Enterable Calculation Values on Calculation Cards**.
5. Click **Create**.
6. Search for and select **Default Disability Plan** as the display value.
7. In **Value**, select the private plan type.
8. Click **Save**.
9. Click **Create** again.
10. To set the rate, search for and select one of these display values.

    - **VPDI Employee Rate**
    - **VPDI Employer Rate**

    To set the wage limit, search for and select one of these display values.

    - **VPDI Employee Wage Limit**
    - **VPDI Employer Wage Limit**
11. Enter the rate or wage limit, and click **Save**.

How to configure VPDI rates and wage limits

To configure your VPDI plan:

1. To configure the plan at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   Use the Legal Reporting Unit Calculation Cards task to configure it at the TRU level.
2. In **Component Groups**, select the California state regional node.
3. In **Calculation Component**, select **State Disability**.
4. Select **Enterable Calculation Values on Calculation Cards**.

5. Click **Create**.
6. To set the rate, search for and select one of these display values.
    - **VPDI Employee Rate**
    - **VPDI Employer Rate**

    To set the wage limit, search for and select one of these display values.
    - **VPDI Employee Wage Limit**
    - **VPDI Employer Wage Limit**
7. Enter the rate or wage limit, and click **Save**.

How to configure VPDI for individual employees

You can enable or disable VPDI for individual employees by configuring their Tax Withholding card.

1. Start the Calculation Entries task, and open the person's tax card for editing.
2. Open the state component for editing.
3. Identify the person as either eligible or exempt from VPDI.
4. Save your work.

California Wage Plan Code

You set the California wage plan code at the following levels.

- Payroll statutory unit (PSU)
- Tax reporting unit (TRU)
- Reporting Information Calculation Card

How to set the code on the PSU

Use the Legal Entity HCM Information task to set the wage plan code at the PSU level.

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Manage Legal Entity HCM Information**.
3. Select **Payroll Statutory Unit**.
4. Select **California**.
5. Specify the wage plan code.
6. Click **Submit** and then **Done**.

How to set the code on the TRU

The code you set at the TRU level overrides the code you set for the PSU.

Use the Legal Reporting Unit HCM Information task to set the wage plan code at the TRU level.

1. From **My Client Groups**, click **Workforce Structures**.
2. Click **Manage Legal Reporting Unit HCM Information**.
3. Select **Tax Reporting Unit**.
4. Select **California**.
5. Specify the wage plan code.
6. Click **Submit** and then **Done**.

How to set the code for individual employees

You set the code on an employee's Reporting Information calculation card. This overrides the values you set for the PSU and TRU.

Colorado Taxes

Colorado Family and Medical Leave Insurance

The Colorado Family and Medical Leave (FAMLI) is the state's implementation of family medical leave insurance (FMLI). It provides paid leave to all Colorado workers. It is funded 50% by the employer and 50% by the employee.

This tax consists of these components.

- Family Leave Insurance Employee
- Family Leave Insurance Employer

Before you implement Colorado FMLI, there are some areas you need to consider.

- What are the employee eligibility criteria
- How to override the tax rate
- How to opt out your organization
- How to exclude individual employees
- How to cost Paid Family and Medical Leave taxes
- What wage basis rules it follows

What are the employee eligibility criteria

To be eligible for the Colorado FLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. Colorado identified as one of the following.
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To change this tax at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    Use the Legal Reporting Unit Calculation Cards task to change this tax at the TRU level.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Colorado state regional node.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

Create it if it doesn't exist.

5. Click **Enterable Calculation Values on the Calculation Card**.
6. Add the **FLI Combined Rate**, and set the appropriate value.

   You can also override these values.

   - **FLI Employee Percentage**
   - **FLI Employer Percentage**
   - **Family Leave Insurance Wage Limit**
7. Save your work.

How to opt out your organization

There are cases where you want to exempt an organization from this tax. For further info, see the Colorado state tax authority website.

To opt out an organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, choose the **Colorado** state regional node.
4. In **Calculation Components**, choose **State FLI**.

   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select the appropriate calculation value.

   - **FLI employee tax exemption**
   - **FLI employer tax exemption**
8. In **Value**, select the appropriate exemption status.
9. Save your work.

Exclude Individual Employees

To exclude an individual employee from this tax:

1. Use the Calculation Entries task to open the person's Tax Withholding card editing.
2. Open the Colorado component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FLI taxes, cost the following predefined elements using the FLI Tax Calculated or Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Family Leave Insurance Employer

What wage basis rules it follows

When configuring the wage basis rules for Colorado FMLI, find them under **State FLI** in the Component Group Rules task.

Colorado Annual Withholding Allowance

The Colorado form includes an annual withholding allowance. However, the payrol process can determine this amount in multiple ways.

The Tax Withholding card determines the amount in this order.

1. Captures the value as entered on the Colorado component of the tax card.

   To ensure accurate withholding, whenever an employee wants to change their Federal withholding, they must:

   a. Update the Federal tax withholding on their Tax Withholding card.

      This can be either manually through Self Service or performed by their Payroll Administrator.
   b. Use Self Service to update their **Annual Withholding Allowance** on the Colorado component of the card.
2. If no value was entered, or if the card doesn't have a Colorado component, the payroll process derives the amount based the person's latest federal filing status since 2020.
3. If the person hasn't updated their federal filing status since 2019, the process uses the default amount.

   This default can change yearly. For further info, see Colorado's state tax authority website.

Connecticut Taxes

Connecticut Paid Family and Medical Leave

The Connecticut Paid Family and Medical Leave program is the state's implementation of family medical leave insurance (FMLI). It provides employees working in Connecticut paid time off to care for themselves or a family member.

This tax consists of the Family Leave Insurance Employee component.

Before you implement Connecticut FMLI, there are some subjects you should consider.

- What is the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What are the employee eligibility criteria

To be eligible for the Connecticut FLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association

2. Connecticut identified as one of the following.
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Connecticut**.
4. In **Calculation Components**, select **State FLI**.

    Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Add the **FLI Combined Rate**, and set the appropriate value.

    You can also override these values.
    - **FLI Employee Percentage**
    - **FLI Employer Percentage**

    Enter the values as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
7. Save your work.

How to opt out your organization

There are cases where you want to exempt an organization from these taxes. For further info, see the Connecticut state tax authority website.

To opt out an organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

    To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, choose the Connecticut state regional node.
4. In **Calculation Components**, choose **State FLI**.

    Create it if it doesn't exist.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select the appropriate calculation value.
    - **FLI Employee Percentage**
    - **FLI Employer Percentage**

8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from these taxes:

1. Use the Calculation Entries task to open the person's Tax Withholding card for editing.
2. 2. Open the Connecticut component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FLI taxes, cost these predefined elements using the FLI Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

What wage basis rules it follows

When configuring the wage basis rules for Connecticut FMLI, find them under **State FLI** in the Component Group Rules task.

Delaware Taxes

Delaware Paid Family and Medical Leave Insurance

Delaware Paid Family and Medical Leave (FMLI) program is intended to provide employees working in Delaware paid time off to care for themselves or a family member.

This tax uses these components.

- Family Leave Insurance employee
- Family Leave Insurance employer
- Medical Leave Insurance employee
- Medical Leave Insurance employer
- Parental Leave Insurance employee
- Parental Leave Insurance employer

Before you implement Delaware FMLI, there are some areas you should consider.

- What is the employee eligibility criteria
- How to override the legislative rates and percentages
- How to reclassify employees
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

What is the employee eligibility criteria

To be eligible for the Delaware FMLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. Delaware identified as one of the following.
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override legislative rates and percentages

To override the legislative tax rates and percentage distribution between the employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Delaware**.
4. In **Calculation Components**, select **State FLI**.

   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. To override the total tax rate, search for and select **FLI Combined Rate**.

   To override the annual wage limit of the tax, search for and select **Wage Limit**.

   To override the distribution between the employee and employer rates, use these calculation value pairs.
    - **FLI Employee Percentage** and **FLI Employer Percentage**
    - **MLI Employee Percentage** and **MLI Employer Percentage**
    - **PLI Employee Percentage** and **PLI Employer Percentage**

   Enter them as percentages. For example, enter 50% as **50**. The sum of these percentage pairs must equal 100%.

   The percentages must be the same for all three calculation value pairs.
8. Save your work.

How to reclassify all employees in your organization

You can change FMLI classification at the beginning of the quarter only.

By default, earnings tagged to other work states aren't eligible for Delaware FMLI. To make them eligible for all employees in your organization:

1. To make them eligible at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To make them eligible at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.

3. In **Component Groups**, click **Delaware**.
4. In **Calculation Components**, select **State FLI**.

   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. Search for and select **Family Leave Reclassification**.
8. Enter **Yes** to make all out-of-state earnings eligible.

   Enter **No** to revoke that eligibility.
9. Save your work.

How to reclassify individual employees

You can change FMLI classification at the beginning of the quarter only.

To make all out-of-state earnings for an individual employee eligibile for FMLI:

1. Open the person's tax card for editing.
2. Open the Delaware component for editing.
3. In **Withholding Exemption**, set **Family Leave Reclassification** to either **Yes** or **No**.
4. Save your work.

How to opt out your organization

You can opt out your organization from the employee and employer components of these taxes.

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Delaware**.
4. In **Calculation Components**, select **State FLI**.

   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Search for and select the appropriate calculation value.
   - FLI Employee Tax Exemption
   - FLI Employer Tax Exemption
   - MLI Employee Tax Exemption
   - MLI Employer Tax Exemption
   - PLI Employee Tax Exemption
   - PLI Employer Tax Exemption
7. In **Value**, select the appropriate exemption status.

How to opt out individual employees

To exclude individual employees from all six components of this tax:

1. Open the person's tax card for editing.
2. Open the Delaware component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.

4. Save your work.

How to cost the FMLI taxes

To process the FMLI taxes, cost these predefined elements using the FLI Tax Calculated or Tax Calculated input values.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Family Leave Insurance Employer
- Medical Leave Insurance Employee
- Medical Leave Insurance Employee Not Taken
- Medical Leave Insurance Employer
- Parental Leave Insurance Employee Tax
- Parental Leave Insurance Employee Tax Not Taken
- Parental Leave Insurance Employer

What wage basis rules it follows

When configuring the wage basis rules for Delaware FMLI, find them under **State FLI** in the Component Group Rules task.

Hawaii Taxes and Deductions

Hawaii Certified Disabled Person Exemptions

For employees that qualify, the professional user can identify them as Certified Disabled Person on the Hawaii component of their Tax Withholding card.

These employees are exempt from Hawaii state income tax (SIT).

Employees can see this filing status on their **Hawaii** component but won't be able to change it.

Hawaii Nonresident Military Spouse Exemptions

For employees that qualify, the professional user can identify them as Nonresident Military Spouse on the Hawaii component of their Tax Withholding card.

These employees are exempt from Hawaii state income tax (SIT).

Employees can see this filing status on their **Hawaii** component but won't be able to change it.

Indiana Taxes

Indiana County Income Taxes

An Indiana worker's home and work addresses as of January 1 of the tax year determines their county income taxes. This impacts courtesy taxes and how you manage location changes.

Location changes

If a person changes their work or home location after January 1, use their Tax Withholding card overrides to retain the original residence or employment county for tax reporting purposes.

What you want to do	How you do it
Override the person's home location	1. Open their Tax Withholding card for editing. 2. In **Regional**, open the Indiana component for editing. 3. In **Indiana County of Residence as of Jan 1**, select the employee's original county as of January 1. 4. Save your work.
Override the person's work location	1. Open their Tax Withholding card for editing. 2. In **Regional**, open their Indiana component for editing. 3. In **Indiana County of Principal Employment as of Jan 1**, select the employee's original county as of January 1. 4. Save your work.
Prepare for begin-of-year	Before you can run the first payroll of the new year, you must revert these overrides. As part of your year-begin processes, run the Run Start-of-Year Process and select the Indiana state update data type.

Courtesy taxes

Because of how Indiana determines their county income taxes, Oracle Cloud Payroll for the US doesn't support courtesy taxes for them. If you enter a value for the county tax withholding rule, the payroll process ignores it.

Kentucky Taxes

Kentucky County Income Taxes

Boone and Campbell counties have special requirements for their county income tax withholding.

County	County income tax processing
Boone	Splits its payroll withholding into these taxes, each with its own wage limit and tax cap. • General County Tax • Mental Health Tax
Campbell	Splits its payroll withholding into these taxes, each with its own wage limit and tax cap. • General County Tax • Mental Health Tax • Senior Citizen Tax

When performing tax withholding for employees working in these counties, there are some areas you should consider.

- What is the employee eligibility criterium
- How to override the wage limits
- How to override the tax rates
- How to exclude individual employees
- How to cost the taxes
- What wage basis rules the follow

What is the employee eligibility criterium

The payroll process automatically imposes these taxes on Kentucky employees working in these counties.

How to override the wage limits

You can override the taxes' wage limits on the organization calculation cards.

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To override at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Kentucky state regional node.

   Create it if it doesn't exist.
4. In **Calculation Components**, select **???**.

   Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select one of these values.
   - **County Tax Wage Limit**
   - **Mental Health Tax Wage Limit**
   - **Senior Citizen Tax Wage Limit**
8. Set the new wage limit, and save your work.

How to override the tax rates

You can't override the rates for the Mental Health or Senior Citizen taxes.

For General County Tax, you can set the following on the employee's Tax Withholding card.

- Nonresident County Tax Regular Amount
- Nonresident County Tax Regular Rate
- Nonresident County Tax Supplemental Amount
- Nonresident County Tax Supplemental Rate
- Resident County Tax Regular Amount

- Resident County Tax Regular Rate
- Resident County Tax Supplemental Amount
- Resident County Tax Supplemental Rate

How to exclude individual employees

You can't exclude a person from individual Boone or Campbell county taxes. To exclude someone from all Kentucky county taxes:

1. Use the Calculation Entries task to open the person's Tax Withholding card for editing.
2. Choose the Campbell, Kentucky county node.
3. Under **County Tax Information**, choose **Yes** for **Exempt from County Income Tax**.

How to cost the taxes

To process these taxes, cost these predefined elements using the Tax Calculated input value.

- County Mental Health Tax Not Taken
- County Miscellaneous Employee Tax
- County Miscellaneous Employee Tax Not Taken
- Work County Income Tax Not Taken
- Work County Mental Health Tax
- Work County Tax

What wage basis rules they follow

By default, local wage basis rules follow state wage basis rules. Because Campbell County's rules differ from Kentucky's, you must create these wage basis rules for all element classifications defined as taxable effective 1-1-2024.

Note: You can use HCM Data Loader to load these rules.

Primary classification	Taxable secondary classifications
Supplemental Earnings	All except: • Deceased Employee Wages • Deferred Compensation Distribution • Job-Related Educational Assistance (if considered a reimbursement) • Jury Duty Pay • Pensions and Annuities
Imputed Earnings	All except: • Domestic Partner Dependent • Group Term Life • Personal Use of Company Car
Pre-Tax Deductions	All

Primary classification	Taxable secondary classifications

Maine Taxes

Maine Paid Family and Medical Leave Insurance

The Maine Paid Family and Medical Leave (FMLI) program is intended to provide employees working in Maine paid time off to care for themselves or a family member.

This tax uses these components.

- Family Leave Insurance employee
- Family Leave Insurance employer

Before you implement Maine FMLI, there are some areas you should consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

What are the employee eligibility criteria

To be eligible for the Maine FLI tax, an employee must have:

1. Valid Tax Withholding card with a tax reporting unit (TRU) association.
2. Maine identified as one of the following.
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override legislative rates and percentages

To override the legislative tax rates and percentage distribution between the employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Maine**.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

Create it if it doesn't exist.

5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI Combined Rate**.

   You can also override these values.

   - **FLI Employee Percentage**
   - **FLI Employer Percentage**

   Enter the values as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.

   To override the annual wage limit for the tax, use **Wage Limit**.
8. Save your work.

How to opt out your organization

You can opt your organization out of employee and employer components of these taxes.

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Maine**.
4. In **Calculation Components**, select **State FLI**.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. Search for and select the appropriate calculation value.
   - **FLI Employee Tax Exemption**
   - **FLI Employer Tax Exemption**
8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to opt out individual employees

To exclude individual employees from all three components of this tax:

1. Open the person's tax card for editing.
2. Open the Maine component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the FMLI taxes

To process the FMLI taxes, cost these predefined elements using the FLI Tax Calculated or Tax Calculated input values.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Family Leave Insurance Employer

What wage basis rules it follows

When configuring the wage basis rules for Maine FMLI, find them under State FLI in the Component Group Rules task.

Maryland Taxes

Maryland State and County Tax Withholding

An employee can request an additional tax amount added to their Maryland state tax. You add this amount to the State component of their tax card.

For employees who are exempt from SIT, no additional tax is withheld.

Massachusetts Taxes

Massachusetts Employer Medical Assistance Contribution

Massachusetts Employer Medical Assistance Contribution (EMAC) is used to fund health insurance programs.

There are some areas you should consider.

- What is the employer eligibility criterion
- How to opt out your organization
- How to exclude individual employees
- How to override the contribution rate
- What wage basis rules they follow

What is the employer eligibility criterion

Employers subject to unemployment insurance are also subject to EMAC reporting requirements. Refer to the Massachusetts state tax authority website for guidance on the criteria, exemptions, and applicable rates.

How to opt out your organization

There are cases where you want to exempt an organization from these taxes.

1. To opt-out at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   Use the Legal Reporting Unit Calculation Cards task to opt-out at the tax reporting unit (TRU) level.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Massachusetts state regional node.

   Create it if it doesn't already exist.
4. Select the **State Disability** calculation component.
5. In **State Disability: Details**, select **Calculation Component Details**.
6. Click **Edit**.

7. Expand **State Disability Organization Information**, and select **Bypass collection** as the self-adjustment method.
8. Click **Save and Close**.

Exclude Individual Employees

To exclude the liability for an individual employee:

1. Use the Calculation Cards task to open the person's Tax Withholding card for editing.
2. Open the Massachusetts state component for editing.
3. In **Withholding Exemption**, select **Exempt from wage accumulation and tax withholding** for **State Disability Insurance**.
4. Click **Save and Close**.

How to override the contribution rate

To change the rate:

1. To change these rates at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   Use the Legal Reporting Unit Calculation Cards task to change this rate at the TRU level.
2. In **Component Groups**, select the Massachusetts state regional node.
3. Select the **State Disability** calculation component.
4. In **State Disability: Details**, click **Enterable Calculation Values on the Calculation Cards**.
5. Click **Create**.
6. Select **Medical Assistance Contribution Employer Rate** as the display value.
7. Enter the new rate. For example, enter .34% as **.0034**.

What wage basis rules it follows

Massachusetts EMAC rules follow the Massachusetts State Unemployment wage basis rules.

EMAC employer liabilities are accumulated using the state disability employer balances.

Massachusetts Paid Family and Medical Leave

The Massachusetts Paid Family and Medical Leave Insurance (FMLI) program provides employees working in Massachusetts paid time off to care for themselves or a family member.

These taxes consist of these components.

- Family Leave Insurance Employee
- Medical Leave Insurance Employee
- Medical Leave Insurance Employer

Before you implement Massachusetts FMLI, there are some areas you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules they follow

What are the employee eligibility criteria

To be eligible for the Massachusetts FMLI tax, an employee must have.

1. Valid tax card with a tax reporting unit (TRU) association
2. Massachusetts identified as one of these.
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.
   To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.
   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Massachusetts state regional node.
   Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.
   Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the total tax rate, search for and select FLI combined rate.
   To override the distribution between the employee and employer rates, use these calculation value pairs.
    - **FLI employee percentage** and **FLI employer percentage**
    - **MLI employee percentage** and **MLI employer percentage**

   Enter them as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
   To override the annual wage limit, use **Family leave insurance wage limit**.
8. Save your work.

How to opt out your organization

To opt out an organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.
   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, choose the Massachusetts state regional node.
4. In **Calculation Components**, choose **State FLI**.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **FLI employee tax exemption**.
8. In **Value**, select the appropriate exemption status.

9. Save your work.

How to exclude individual employees

To exclude an individual employee from these taxes:

1. Open the person's tax card for editing.
2. Open the Massachusetts component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FMLI taxes, cost these predefined elements using the FLI Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Medical Leave Insurance Employee
- Medical Leave Insurance Employee Tax Not Taken
- Medical Leave Insurance Employer

For further info, see Payroll Costing of Elements for the US in the Help Center.

What wage basis rules it follows

When configuring the wage basis rules for Massachusetts FMLI, find them under **State FLI** in the Component Group Rules task.

Minnesota Taxes and Exemptions

Federal Loan Interest Assessment for Minnesota State Unemployment Insurance

Minnesota's State Unemployment Insurance (SUI) is drawn from its SUI trust fund. If this trust fund is depleted, such as due to payouts during a recession, the state borrows money from the federal unemployment trust fund.

A Federal Loan Interest Assessment is levied to pay interest on that money.

This assessment must be applied to your quarterly unemployment tax due; however, we don't calculate it as part of the payroll process. Work with your third-party tax filing supplier for assistance.

Minnesota Tax Exemptions for Active and Retired Military

Members of the Minnesota National Guard, US military active duty members, and former members receiving military pensions and other military retirement pay are exempt from state taxes.

To set this exemption:

1. Open the person's Tax Withholding card for editing.
2. Click **Regional**.
3. Open the Minnesota component for editing.

   Add this component if it doesn't already exist.
4. In **State Tax Information**, select **Yes** for one of the following.

- **Minnesota National Guard or an Active-Duty U.S. Military Member**
- **Military Pensioner or Retiree**

This sets **Exempt from State Income Tax Withholding** to **Yes**.

5. Click **Submit**.

Minnesota Tax Exemptions for Military Spouses

Spouses of active military personnel station in Minnesota are exempt from state taxes.

To set this exemption:

1. Open the person's Tax Withholding card for editing.
2. Click **Regional**.
3. Open the Minnesota component for editing.

   Add this component if it doesn't already exist.
4. In **State Tax Information**, select **Yes** for **Exemption for Military Spouse**.

   This sets **Exempt from State Income Tax Withholding** to **Yes**.
5. Select the employee's state of residence.
6. Click **Submit**.

Related Topics

- What Is the Tax Withholding Card

Minnesota Tax Exemptions for Native Americans

Native American employees living and working on a reservation are exempt from Minnesota state taxes.

To set this exemption:

1. Open the person's Tax Withholding card for editing.
2. Click **Regional**.
3. Open the Minnesota component for editing.

   Add it if it doesn't already exist.
4. In **State Tax Information**, select **Yes** for **American Indian Living and Working on a Reservation**.

   This sets **Exempt from State Income Tax Withholding** to **Yes**.
5. Optionally enter the reservation name and the person's Certificate of Degree of Indian Blood (CDIB) enrollment number.
6. Click **Submit**.

Related Topics

- What Is the Tax Withholding Card

Missouri Tax Exemptions

Missouri State Tax Reduced Withholding

If the employee enters a reduced withholding value in the Missouri component of their Tax Withholding card, the payroll process treats it as a Residential Amount tax withholding override.

Nebraska Taxes

Nebraska Special Income Tax Withholding

For employers having more than 24 employees, Nebraska state mandates to withhold at least 1.5% of each employee's taxable wages as state income tax (SIT).

This is how you can exempt an organization from special withholding.

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To override at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, click **Nebraska**.
4. In **Calculation Components**, select **State Income Tax**.

   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Search for and select **Ineligible for Special Income Tax Withholding**.
7. Select **Yes** to exempt your organization from special SIT withholding.

   Select **No** to apply special SIT withholding for the organization.
8. Save your work.

New Jersey Taxes

New Jersey Disability Insurance

New Jersey Disability Insurance (SDI) is a tax for most workers whose employment is covered by New Jersey unemployment compensation law.

For employees enrolled in a private disability plan (DIPP) in New Jersey, the DI PP # appears in Box 14 of their W-2 reports.

Use the Legal Reporting Unit HCM Information task to identify your plan type and plan number.

New Jersey Family Leave Insurance

The New Jersey Paid Family Leave program is the state's implementation of family medical leave insurance (FMLI). It provides employees paid time off to care for themselves or a family member.

This tax consists of the Family Leave Insurance Employee component.

Before you implement New Jersey FMLI, there are some issues you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What is the employee eligibility criteria

To be eligible for the New Jersey FMLI tax, an employee must have:

1. Have a valid tax card with a tax reporting unit (TRU) association
2. New Jersey identified as one of the following
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, click **New Jersey**.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

    Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI combined rate**.

    To override the distribution between the employee and employer rates, use **FLI employee percentage** and **FLI employer percentage**. Enter these values as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
8. Save your work.

How to opt out your organization

To opt out an entire organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, click **New Jersey**.
4. In **Calculation Components**, select **State Disability**.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **FLI employee tax exemption**.
8. In **Value**, enter select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude individual employees from this tax:

1. Open the person's tax card for editing.
2. Open the New Jersey component for editing.
3. Search for the person, and open their Tax Withholding card for editing.
4. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
5. Save your work.

How to cost the tax

To process FLI taxes, cost these predefined elements using the FLI Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

What wage basis rules it follows

When configuring the wage basis rules for New Jersey FMLI, find them under **State FLI** in the Component Group Rules task.

New York Taxes

New York City Taxes

The payroll process uses the person's resident tax address and values on the respective New York city tax component of their Tax Withholding card to calculate taxes.

The New York component of the tax card includes fields related to New York city tax. The payroll process uses these values only if they aren't defined on the New York city component.

- New York City Additional Tax Amount
- New York City Allowances
- New York City Resident

- Yonkers Additional Tax Amount
- Yonkers Resident

Note: **Allowances** applies to state tax allowances. Don't use it for New York City or Yonkers allowances. Set the city tax allowances in the applicable city tax card.

New York Family Leave Insurance

The New York Paid Family Leave Insurance program is the state's implementation of family medical leave insurance (FMLI). It is intended to provide employees working in New York state paid time off to care for themselves or a family member.

This tax consists of the Family Leave Insurance Employee component.

Before you implement New York FMLI, there are some issues you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What are the employee eligibility criteria

To be eligible for the New York FMLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. New York identified as one of the following
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select **New York**.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

    Create it if it doesn't exist.

5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI combined rate**.

   To override the distribution between the employee and employer rates, use **FLI employee percentage** and **FLI employer percentage**. Enter the values as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
8. Save your work.

How to opt out your organization

To opt out an entire organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, select **New York**.
4. In **Calculation Components**, select **State FLI**.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. Search for and select **FLI employee tax exemption**.
8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Open the person's tax card for editing.
2. Open the New York component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FMLI taxes, cost these predefined elements using the FLI Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken

What wage basis rules it follows

When configuring the wage basis rules for New York FMLI, find them under **State FLI** in the Component Group Rules task.

Ohio Taxes

When does an employee need to provide an Ohio school district for tax calculation?

An employee must complete and submit a Withholding Exemption Certificate that identifies their school district if:

1. You hired them as a new employee in Ohio.

2. They moved into a taxable school district.

Oregon Taxes

Eugene Oregon Community Safety Tax

The Eugene, Oregon community safety tax is automatically deducted from all eligible employees.

This tax uses the City Tax component.

For further info, see the Eugene, Oregon tax authority website.

How to opt out your organization

There are cases where you want to exempt an entire organization from this tax.

1. To opt out at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, navigate to and select **Eugene**.

   Create it if it doesn't exist. Select **OR** for the state, **Lane** as the county, and **Eugene** as the city.
4. In **Calculation Components**, select **City Tax**.

   Create it if it doesn't already exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. Search for and select **Employee Community Safety Tax Exemption**.
8. Select **Yes** to opt out.

   Select **No** to opt in.
9. Click **OK**.
10. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Use the Calculation Entries task to open the person's tax card for editing.
2. Open the **Eugene** regional component for editing.

   Add it if it doesn't exist.
3. In **Other Exemptions**, select the appropriate exemption for **Community Safety Tax**.
4. Save your work.

Oregon Multnomah County Tax

The payroll process applies this tax for employees whose resident tax or work tax address is in Multnomah County.

To opt your entire organization out of this tax:

1. To opt out at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, navigate to and select **Multnomah**.

   Create it if it doesn't exist.
4. In **Calculation Components**, select **County Tax**.

   Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **Exempt from Wage Accumulation**.
8. Select **Exempt from tax withholding** to opt out your organization.
9. Click **OK**.
10. Save your work.

Oregon Paid Leave

The Paid Leave Oregon program is the state's implementation of family medical leave insurance (FMLI). It provides employees with the time they need to care for themselves and loved ones. It's funded 40% by the employer and 60% by the employee.

This tax consists of these components.

- Family Leave Insurance Employee
- Family Leave Insurance Employer

Before you implement Oregon paid leave, there are some areas you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What are the employee eligibility criteria

To be eligible for the Oregon Paid Leave tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. Oregon identified as one of the following
   - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
   - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.
   To override at TRU level, start the Legal Reporting Unit Calculation Cards task.
   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select **Oregon**.
   Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.
   Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI combined rate**.
   To override the distribution between the employee and employer rates, use **FLI employee percentage** and **FLI employer percentage**. Enter the values as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
   To override the annual wage limit, use **Family leave insurance wage limit**.
8. Save your work.

How to opt out your organization

To opt out an entire organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.
   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, select **Oregon**.
4. In **Calculation Components**, select **State FLI**.
   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select the appropriate calculation value.
   - **FLI employee tax exemption**
   - **FLI employer tax exemption**
8. In **Value**, select the appropriate exemptions status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Open the person's tax card for editing.
2. Open the Oregon component for editing.

3. In **Withholding Exemption**, select the appropraite exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FMLI taxes, cost these predefined elements using the FLI Tax Calculated or Tax Calculated input values.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Family Leave Insurance Employer

What wage basis rules it follows

When configuring the wage basis rules for Oregon Paid Leave, find them under **State FLI** in the Component Group Rules task.

Oregon Portland Metro Tax

The payroll process applies this tax for employees whose resident tax or work tax address is in one of the full or partial geographies in the Metro District.

To opt out an entire organization:

1. To opt out at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.
   To opt out at the tax reporting unit (TRU) level, start the Legal Reporting Unit Calculation Cards task.
   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select **Oregon**.
   Create it if it doesn't exist.
4. In **Calculation Component**, select **State Miscellaneous**.
   Create it if it doesn't exist.
5. Select **Enterable Calculation Values on Calculation Cards**.
6. Click **Create**.
7. Search for and select the appropriate calculation value.

Display value	Value
Exempt from Metro Tax	**Yes** o Doesn't accumulate wages or withhold taxes. **No** o Accumulates wages and withholds taxes.
Exempt Metro Tax from partial city withholding jurisdictions	**Yes** o Doesn't accumulate wages. o Doesn't withhold taxes for these jurisdictions.

Display value	Value
	No o Accumulates wages. o Withholds taxes for these jurisdictions.
Exempt Metro Tax on supplemental wages below annualized threshold	**Yes - Based on annualized combined wages** o Fully taxes supplemental wages when the annualized regular earnings plus the annualized supplemental earnings exceed the threshold. **Yes - Based on annualized regular and periodic supplemental wages** o Fully taxes supplemental wages when the annualized regular earnings plus the periodic supplemental earnings exceed the threshold. **Yes – Based on annualized regular wages** o Fully taxes supplemental wages when the annualized regular earnings exceed the threshold. **No - Supplemental wages taxed on first dollar** o Taxes supplemental wages on the first dollar. o Taxes regular wages are taxed when the annualized amount exceeds $200,000.

8. Click **OK**.
9. Save your work.

Oregon Transit Tax

Oregon transit tax is automatically deducted from all eligible employees.

For further info, see the Oregon Statewide Transit Tax authority website.

Before you implement Oregon transit tax, there are some areas you need to consider.

- What is the employee eligibility criterion
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What is the employee eligibility criterion

Oregon residents and nonresidents who work in Oregon are subject to the tax. There's no wage limit.

How to exclude individual employees

To exclude the wage accumulation and tax for an individual employee:

1. Open the person's tax card for editing.
2. Open the Oregon component for editing.
3. In **Other Exemptions**, select the appropriate exemption for state transit tax.
4. Save your work.

How to cost the tax

To process the Oregon transit tax, cost the following predefined elements using the Tax Calculated input value.

- State Transit Tax
- State Transit Tax Not Taken

What wage basis rules it follows

Oregon State Transit Tax rules follow the Oregon State Income Tax wage basis rules.

Employee contributions are accumulated using the State Transit Tax balances.

Pennsylvania Taxes

How do I configure Pennsylvania local taxes?

Employees living and working in Pennsylvania require special configuration and maintenance on their Tax Withholding cards.

You can configure Pennsylvania local taxes in these ways.

In this case	This is what happens
Set up Pennsylvania subdivision (PSD) codes for work locations	Use the Locations task to review and if needed, override the PSD code for each Pennsylvania location.
Allow employees to set their PSD codes through self-service	You can allow employees to enter and update their own resident and work PSD codes on the Pennsylvania PSD component of their Tax Withholding card by enabling self-service. If enabled, this is the form they use to enter the PSD info.
Withhold local courtesy taxes	You can configure your payroll statutory unit (PSU) or tax reporting unit (TRU) to withhold local taxes for Pennsylvania residents who work outside of Pennsylvania as a courtesy.
Configure Pennsylvania and Maryland reciprocity	A reciprocity agreement exists between Pennsylvania and Maryland. You must perform configuration at the organization level to support employees subject to this agreement.
Verify and correct the PSD code for new employees	Use the Calculation Entries task to confirm that new employees are assigned to the correct PSD.
Configure exemptions to local taxes	Use the Calculation Entries task to set exemptions for local income taxes and occupational or head taxes.
Perform balance adjustments	For further info, see Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1) on My Oracle Support.
Verify local withholding accuracy	After processing payroll, use the run results table of the Statement of Earnings (SOE) to verify:

In this case	This is what happens
	• Tax Collection District • Resident PSD code • Work PSD code You can also use the audit report and audit detail from the Third-Party Periodic Tax Extract Audit processes to verify local withholding.
Perform additional maintenance	This involves: • Reviewing employee run results and payslips • Performing manual updates to PSD codes

How do I configure Pennsylvania local Earned Income Tax?

Before you can process payroll that includes Pennsylvania local Earned Income Tax (EIT), it requires some special configuration.

Watch video

Pennsylvania local EIT may require configuration in these areas.

For this	This is what you need to do
Enable Pennsylvania local earned income tax	1. Configure your locations with the political subdivision (PSD) codes. 2. Configure your organizations for Pennsylvania local tax withholding. 3. Configure your Pennsylvania employee tax cards. 4. If you're registered as a combined filer for Pennsylvania Act 32 taxes, provide your Tax Collection District (TCD) combined-filing proxy.
Enable Pennsylvania and Maryland reciprocity	Configure your organizations and employee tax cards appropriately.
Configure Philadelphia city tax withholding	The payroll process automatically withholds city taxes for people living or working in Philadelphia. However, you must perform some configuration for employees who receive tips.
Adjust balances for Pennsylvania local taxes	If balance adjustments are required for taxes that are subject to Pennsylvania Act 32 reporting, you must perform each adjustment individually for each type of balance (city, school, and local). There are multiple balances that support Pennsylvania Act 32, such as city withheld and local withheld. For further info, see the following on My Oracle Support. • Oracle Cloud Human Capital Management for United States: Balance Adjustments (1600728.1) • Oracle Cloud Human Capital Management for United States: Balance Initialization (1912298.1)
Pennsylvania resident tax for out-of-state work locations	You need to make sure you configure your organizations to calculate Pennsylvania resident taxes for out-of-state workers.
Temporary work assignments in Pennsylvania	For employees who experience a change in work assignment of 3 or more months:

For this	This is what you need to do
	1. At the beginning of the temporary assignment, set the work PSD code to the temporary assignment for the time period needed. 2. When the assignment is complete, change it back. Work assignments that last fewer than 3 months don't require any configuration.

Pennsylvania Local Services Tax

Employees working in Pennsylvania are subject to the annual Local Services Tax (LST). This tax is withheld based on employment location, for both Pennsylvania residents and nonresidents working in Pennsylvania.

Note: LST is also known as the head tax.

Employees can request an up-front exemption from the LST by submitting the appropriate paperwork to both the Political Subdivision levying the tax and to you, the employer. For further info, see the Pennsylvania employment agency's website.

You implement approved exemptions for individual employees on their tax card. For further info, see Pennsylvania Tax Exemptions in the Help Center.

For multiple employees, use HCM Data Loader. For further info, see Loading US Data Using HCM Data Loader (2558276.1) on My Oracle Support.

Related Topics

- Pennsylvania Tax Exemptions
- https://www.oracle.com/pls/topic/lookup?ctx=Fa-latest&id=s20048337
- Loading US Data Using HCM Data Loader

Pennsylvania Tax Exemptions

To exempt multiple employees from Pennsylvania city, school, and Local Services Tax (LST) withholding, use HCM Data Loader (HDL).

For further info, see Loading US Data Using HCM Data Loader (2558276.1) on My Oracle Support.

To exempt individual employees:

1. Use the Calculation Entries task to open the person's Tax Withholding card for editing.
2. Open their Pennsylvania PSD component for editing.
3. Set exemptions for the following.
    - LST
    - City tax
    - School district tax

    Note: In the case of exemptions for Pennsylvania local taxes, don't use the exemption fields in **City Tax Information** of the city component.
4. Save your work.

How the Payroll Process Determines Pennsylvania Political Subdivision Codes

The payroll process uses political subdivision (PSD) codes in the calculation of Pennsylvania local earned income taxes.

The payroll process uses the higher of these rates.

- Resident (city + school)
- Nonresident (city only)

In cases where the rates are the same, the payroll calculation automatically withholds the resident rate.

How resident PSD codes are derived

The payroll process uses this hierarchy to determine an eligible employee's resident PSD code.

1. Checks the resident PSD code on the **Pennsylvania PSD** component (Pennsylvania Residency Certificate) of their Tax Withholding card.
2. If it's unable to derive the resident PSD code, or if you've specified an invalid code on the tax card, the payroll process:
    a. Stops calculation for that employee.
    b. Logs an error in the payroll results.
3. If the residency certificate has multiple date-effective PSD code updates in the same pay period, the payroll process calculates taxes based on the PSD code as of the pay period end date.

How nonresident PSD codes are derived

The payroll process uses this hierarchy to determine an eligible employee's nonresident PSD code.

1. Checks the nonresident PSD code on the **Pennsylvania PSD** component of their Tax Withholding card.
2. If it's unable to derive the nonresident PSD code, or if you've specified an invalid code on the tax card, the payroll process:
    a. Stops calculation for that employee.
    b. Logs an error in the payroll results.
3. If there are multiple PSD codes in the same pay period, the payroll process calculates taxes based on the PSD code as of the pay period end date.

Puerto Rico Taxes and Tax Exemptions

Puerto Rico State Unemployment Special Assessment Tax

The Special Assessment Tax is a tax Puerto Rico imposes in addition to state unemployment insurance (SUI).

For further info, see the Puerto Rico Department of Labor and Human Resources website.

To properly include this tax in your tax calculations, start the Legal Reporting Unit Calculation Cards task from your implementation project. Add this rate to the SUI rate recorded on your tax recording unit's calculation card.

Note: The combined rates can't exceed the federally mandated employer SUI maximum rate of 5.4%.

Related Topics

- How the Payroll Process Determines the Employee Work State
- Set Up US Territories
- State Unemployment Insurance Tax

Puerto Rico Young Entrepreneurs Act

The payroll process automatically exempts taxes for employees eligible for the Puerto Rico Young Entrepreneurs Act.

How you configure Form W-2PR

Form W-2PR displays these earnings as Code E in box 16.

To properly display them, define this balance feed before generating your year-end data.

Element	Input	Add or Subtract	Balance
Residence State Income Tax	PR Exempt Income	Add	W2 Territory Exempt Salary

You can configure boxes 8, 9, and 10 to display the earnings in excess of the act if you set the appropriate feeds to include only those wages.

Exclude Individual Employees

For employees who are opting out of this exemption:

1. Open the person's Tax Withholding Card for editing.
2. Open their Puerto Rico regional component for editing.
3. Set **Young Individual Opting Out of Wage Exemption** to **Yes**.
4. Save your work.

Vermont Taxes

Vermont Child Care Contribution

Vermont Child Care Contribution (CCC) is an employer tax. However, employers can opt to share the cost with their employees.

The state defines the maximum employee/employer split. Employee wages earned in Vermont are subject to this tax.

When implementing this tax, there are some things you should consider.

- What is the employee eligibility criterion
- How to override the legislative rate
- How to override the employee/employer split
- How to opt out your organization
- How to opt out an employee
- How to cost CCC taxes

- What wage basis rules it follows

What is the employee eligibility criterion

The payroll process takes this tax for all people working in Vermont.

How to override the legislative rate

To override the tax withholding rate:

1. To change this tax at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   Use Legal Reporting Unit Calculation Cards task to change this tax at the tax reporting unit (TRU) level.

   Settings at the TRU level override those at the PSU level.
2. In **Component Groups**, select the Vermont state regional node.

   Create it if it doesn't exist.
3. In **Calculation Components**, select **State Miscellaneous**.

   Create it if it doesn't exist.
4. Click **Enterable Calculation Values on the Calculation Card**.
5. Click **Create**.
6. Search for and select **Child Care Contribution Rate**, and set the appropriate value.
7. Save your work.

How to override the employee/employer split

By default, the employer contributes 100% of this tax and the employee 0%.

To change this split:

1. To change the percentages at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   Use Legal Reporting Unit Calculation Cards task to change this tax at the TRU level.
2. In **Component Groups**, select the Vermont state regional node.
3. In **Calculation Components**, select **State Miscellaneous**.
4. Click **Enterable Calculation Values on the Calculation Card**.
5. Click **Create**.
6. Add these calculation components, and set the appropriate values for each.

   - **Child Care Contribution Employer Percentage**
   - **Child Care Contribution Employee Percentage**

   Enter each as a percentage, such as 75% as **75**.

   The sum of both must equal 100%, and individual values can't exceed the state mandated maximum. Refer to the Vermont tax authority's website for info on the maximum employee contribution percentage.
7. Save your work.

How to opt out your organization

To opt out your organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. In **Component Groups**, choose the Vermont state regional node.
3. In **Calculation Components**, choose **State Miscellaneous**.
4. Select **Enterable Calculation Values on the Calculation Card**.
5. Click **Create**.
6. Search for and select **Employer Tax Exemption**.
7. In **Value**, select the appropriate exemption status.
   - Exempt from wage accumulation and tax withholding
   - Exempt from tax withholding
   - Not exempt
8. Save your work.

How to exclude an individual employee

To exclude an individual employee from this tax:

1. Open the person's Tax Withholding card for editing.
2. Open their Vermont regional component for editing.
3. In Withholding Exemption, set the appropriate exemption status.
   - Exempt from wage accumulation and tax withholding
   - Exempt from tax withholding
   - Not exempt
4. Save your work.

How to cost the tax

To process CCC taxes, cost these predefined elements using the Tax Calculated input value.

- State Miscellaneous Employer Liability
- State Miscellaneous Employee Tax
- State Miscellaneous Employee Tax Not Taken

What wage basis rules it follows

The Vermont CCC rules are predefined using the **State Miscellaneous** and **Not Withholdable State Miscellaneous** components for VT. You can view them with the Component Group Rules task. The rules are the same as the Vermont SIT withholding wage basis rules.

Washington Taxes

Washington Long-Term Care

Washington Long Term Care Insurance (LTC) is a tax for employees subject to Washington state unemployment insurance (SUI).

When implementing this tax, there are some areas you should consider.

- What are the employee eligibility criteria
- How to override the legislative rate and annual wage limit
- How to opt out your organization
- How to out out individual employees
- How to cost LTC taxes
- What wage basis rules it follows
- How to include the WALTC tax code record in the quarterly tax-filing extract

See the following sections for details.

What are the employee eligibility criteria

To be eligible for the Washington LTC tax, an employee must have:

1. Have a valid tax card with a tax reporting unit (TRU) association
2. Washington identified as their state unemployment insurance (SUI) state on one of these cards
    - Tax Jurisdictions
    - Tax Withholding

How to override the legislative rate and annual wage limit

To override the legislative tax withholding rate and annual wage limit:

1. To change this tax at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

   To override at TRU level, start the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington regional component.

   Create it if it doesn't exist.
4. In **Calculation Components**, select **State LTC**.

   Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the tax rate, search for and select **Long term care insurance employee percentage**.

   To change the wage limit, search for and select **Long term care insurance wage limit**.

8. Set the new value, and click **OK**.
9. Save your work.

How to opt out your organization

To opt out your organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.

   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington regional component.
4. In **Calculation Components**, select **State LTC**.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **Employee tax exemption**.
8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Open the person's Tax Withholding card for editing.
2. Choose the Washington regional component for editing.
3. In **Withholding Exemption**, select the appropriate exemption status for **Long Term Care Insurance**.
4. Save your work.

How to cost the tax

To process LTC taxes, cost these predefined elements using the LTC Tax Calculated input value.

- Long Term Care Employee Tax
- Long Term Care Employee Tax Not Taken

What wage basis rules it follows

When configuring the wage basis rules for Washington LTC, find them under **State LTC** in the Component Group Rules task.

How to include this tax in the quarterly tax-filing extract

For the extract to include a WALTC tax code record, one or more of these conditions must be true.

- **Long Term Care Insurance** on the person's Tax Withholding Card is set to **Exempt from wage accumulation and tax withholding**.
- At least one of these balances are non-zero.
  - Long Term Care Withheld (quarter-to-date dimension)
  - Long Term Care Withheld (year-to-date dimension)
- Washington SUI employer taxable balance is greater than $0.

Washington Paid Family Leave

The Washington Paid Family and Medical Leave program is the state's implementation of family medical leave insurance (FMLI). It provides employees working in Washington paid time off to care for themselves or a family member.

This tax consists of these components.

- Family Leave Insurance Employee
- Medical Leave Insurance Employer

Before you implement Washington FMLI, there are some areas you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

What are the employee eligibility criteria

To be eligible for the Washington FMLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. Washington identified as one of the following
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

The percentage paid for this tax must equal 100%. The state determines the default split.

To change these percentages:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington regional component.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

    Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI combined rate**.

    To override the distribution between the employee and employer rates, use these calculation value pairs.

- **FLI employee percentage** and FLI **employer percentage**
- **MLI employee percentage** and **MLI employer percentage**

Enter them as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
To override the annual wage limit, use **Family leave insurance wage limit**.

8. Save your work.

How to opt out your organization

To opt out your organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project.
   To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington regional component.
4. In **Calculation Components**, choose **State FLI**.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **FLI employee tax exemption**.
8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Open the person's tax card for editing.
2. Choose the Washington regional component.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

How to cost the tax

To process FMLI taxes, cost these predefined elements using the FLI Tax Calculated or Tax Calculated input value.

- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Medical Leave Insurance Employer

What wage basis rules it follows

When configuring the wage basis rules for Washington FMLI, find them under **State FLI** in the Component Group Rules task.

Washington DC Taxes

Washington DC Paid Family Leave

The Washington DC Family Leave Insurance program is the state's implementation of family medical leave insurance (FMLI). It provides employees paid time off to care for themselves or a family member.

This tax consists of the Family Leave Insurance Employer component.

Before you implement DC FMLI, there are some areas you need to consider.

- What are the employee eligibility criteria
- How to override the legislative rates and percentages
- How to opt out your organization
- How to exclude individual employees
- How to cost the tax
- What wage basis rules it follows

For further info, see the following sections.

What are the employee eligibility criteria

To be eligible for the DC FMLI tax, an employee must have:

1. Valid tax card with a tax reporting unit (TRU) association
2. DC identified as one of the following
    - Family leave insurance (FLI) state on the person's Tax Jurisdictions card
    - State unemployment insurance (SUI) state on their Tax Withholding card (if FLI state is undefined)

How to override the legislative rates and percentages

To override the legislative tax rates and percentage distribution between the employee and employer components:

1. To override at the payroll statutory unit (PSU) level, start the Legal Entity Calculation Cards task from your implementation project.

    To override at the TRU level, start the Legal Reporting Unit Calculation Cards task.

    Settings at the TRU level override those at the PSU level.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington DC regional component.

    Create it if it doesn't exist.
4. In **Calculation Components**, select **State FLI**.

    Create it if it doesn't exist.
5. Click **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. To change the total tax rate, search for and select **FLI combined rate**.

    To override the distribution between the employee and employer rates, use these calculation value pairs.
    - **FLI employee percentage** and FLI **employer percentage**
    - **MLI employee percentage** and **MLI employer percentage**

    Enter them as percentages. For example, enter 50% as **50**. The sum of these percentages must equal 100%.
8. Save your work.

How to opt out your organization

To opt out your organization:

1. To opt out at the PSU level, start the Legal Entity Calculation Cards task from your implementation project. To opt out at the TRU level, start the Legal Reporting Unit Calculation Cards task.
2. Open the calculation card for editing.
3. In **Component Groups**, select the Washington DC regional component.
4. In **Calculation Components**, choose **State FLI**.
5. Select **Enterable Calculation Values on the Calculation Card**.
6. Click **Create**.
7. Search for and select **FLI employee tax exemption**.
8. In **Value**, select the appropriate exemption status.
9. Save your work.

How to exclude individual employees

To exclude an individual employee from this tax:

1. Open the person's tax card for editing.
2. Open the Washington DC component for editing.
3. In **Withholding Exemption**, select the appropriate exemption for **Family Leave**.
4. Save your work.

Cost the Tax

To process FLI taxes, cost this predefined element using the FLI Tax Calculated input value.

- Family Leave Insurance Employer

Wage Basis Rules

When configuring the wage basis rules for DC FMLI, find them under **State FLI** in the Component Group Rules task.

Related Topics

- Configure Organization Calculation Cards for the US
- Payroll Costing of Elements for the US
- Tax Withholding Card
- https://www.oracle.com/pls/topic/lookup?ctx=Fa-latest&id=s20048337

FAQs for Federal and State Taxes

How do I set employee tax exemption for state reciprocity?

Employees that live and work in states with reciprocity agreements are eligible for resident state income tax (SIT). They're exempt from work SIT.

To configure this:

1. Open the person's Tax Withholding card for editing.
2. Open their work state component for editing.

3. Under **State Tax Additional Information**, set **Nonresident** to **Yes**.

How can I exempt a military spouse from state income tax?

To mark an employee as exempt from state income tax (SIT) due to a military spouse situation:

1. Use the Calculation Entries task to open the person's Tax Withholding card for editing.
2. Set an appropriate effective as-of date.
3. In **Regional**, open the state component for editing.
4. For **State Income Tax**, select **Exempt from wage accumulation and tax withholding**.

Note: **Exemption for Military Spouse** on the tax card is for informational purposes only. The value on this field has no impact on tax calculation.

How can I identify statutory employees?

You can identify independent contractors in the US as employees by statute.

For employees in multiple tax reporting units (TRUs) with different a statutory setting for each TRU, you must define separate tax cards for each TRU.

This status appears on W-2 Box 13.

To identify a person as a statutory employee:

1. Open the person's Tax Withholding card for editing.
2. Open the **Federal** component for editing.
3. In **Withholding Exemption**, select the appropriate status in **Statutory Employee**.
4. Save your work.

Note: Statutory employees have no federal income tax (FIT) withheld. The payroll process still accumulates FIT wages and reports them in Box 1 of the W-2. For state income tax (SIT), the calculations follow the state's guidelines for tax withholding.

How can I mark an individual employee as exempt from federal, state, or local taxes?

Mark an employee as exempt from many types of taxes on their Tax Withholding card. These taxes include state taxes, Federal Unemployment Tax Act (FUTA) tax, social security tax, county taxes, and city taxes.

1. Open the person's Tax Withholding card for editing.
2. Click either the **Federal** or **Regional** calculation component.
3. Select the individual taxes for exemption.

Related Topics

- What Is the Tax Withholding Card

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 Value Definitions Examples
- Calculation Factors

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 Examples
- Calculation Value Definitions
- How Entries of Personal Calculation Cards Fit Together

Enterable Values on Calculation Cards

Some values entered on a calculation card override values defined in a calculation value definition.

For example, you might set a default tax rate for the legislative data group, and allow the rate to be overridden by a flat amount entered on a personal calculation card.

The following table explains where you can enter override values on calculation cards. It also provides the order in which the Calculate Payroll process checks for values entered on calculation cards. When the process finds an entered value, it stops checking and uses the values defined at that level.

Order	Type of Values	Task
1	Values for a payroll relationship on any type of calculation card	Calculation Cards
2	Values for a tax reporting unit for certain deductions, which vary by country or territory	Legal Reporting Unit Calculation Cards
3	Values for a payroll statutory unit for certain deductions, which vary by country or territory	Legal Entity Calculation Cards

Allowing Enterable Values on Calculation Cards

The ability to enter values on calculation cards is controlled by the **Enterable Calculation Values on Calculation Cards** section of the calculation value definition. Here you can set calculation values, such as specific rates or other values for the person, which could override default values held on a calculation value definition.

For example, if an employee qualifies for a special reduced tax rate, you enter the rate as an enterable value on their tax card.

- For user defined calculation value definitions, you can specify an enterable calculation value in this section. You provide:
    - The display name to appear on the calculation card.
    - The value type, such as total amount or additional amount.
- Enterable values for statutory and involuntary deductions are predefined. You can't allow new enterable values for predefined calculation value definitions.
- You can't override values loaded from another application, but you can add values, such as adding additional contributions to a pension deduction.

Enterable Value Types

The list of value types available for entry depends on the calculation type. For example, you can enter the percentage value for a flat rate calculation or the monetary value for a flat amount calculation.

The following value types are available for all calculation types except text:

Value Type	Description
Calculation value definition	Uses the calculation value definition entered on a calculation card to calculate the amount.
Total amount	Uses the amount entered on the calculation card as the total amount.
Additional amount	Adds the amount entered on the calculation card to the calculated amount.

Related Topics

- Calculation Value Definitions Examples
- Creating Calculation Cards for Deductions at Different Levels for the US

Calculation Value Definitions Examples

In these deduction examples, the calculation value depends on where the employee falls in an earnings range.

The From and To values of the range can be static or dynamic. Dynamic values are a fraction of the value of a database item, such as gross earnings. These examples also illustrate how to override the default calculation type for selected values in the range.

Static Values

The calculation value definition for a regional income tax uses a default calculation type of Flat Rate. However, for the lowest and highest incomes, a flat amount applies. For these two values, the Flat Amount calculation type overrides the default type, and uses a monetary value rather than a percentage. The **Basis of Calculation Values** field is blank, so the values are static.

The following table shows sample static values for this calculation value definition.

From Value	To Value	Calculation Type Override	Rate or Amount
0	199	Flat Amount	0
200	999	_	4 (percent)
1000	1999	_	6 (percent)
2000	999,999,999	Flat Amount	300

From Value	To Value	Calculation Type Override	Rate or Amount

Dynamic Values

The calculation value definition for a tax exemption uses a default calculation type of Incremental Rate. The first and last values specify the Flat Amount calculation type, which overrides the default type. The **Basis of Calculation Values** field specifies the Gross Earnings YTD database item. This means the From and To values represent a percentage of year-to-date gross earnings.

The following table shows sample dynamic values for this calculation value definition.

From Value	To Value	Calculation Type Override	Rate or Amount
0	.1	Flat Amount	300
.1	.2	_	10 (percent)
.2	.9	_	30 (percent)
.9	1	Flat Amount	0

The first row defines a flat amount of 300 that applies to the first 10 percent of gross earnings. The second row defines a 10 percent rate that applies to the next 10 percent of gross earnings. The third row defines a 30 percent rate that applies to between 20 and 90 percent of gross earnings. The final row defines a flat amount of 0 between 90 and 100 percent.

Minimum Wages for the US

Oracle Fusion Global Payroll maintains the minimum wage requirements for federal and each state and territory.

To view or manually update these wage rates:

1. Start the Calculation Value Definitions task.
2. Click **Advanced**.
3. Select your US legislative data group (LDG).
4. For **Name**, select the **Ends with** operator and enter `Minimum Wage.`
5. Click **Search**.
6. Click the link you want to view.

7. To change the minimum wage rate:
    a. Set the effective as-of date for the new rate.
    b. Under **Calculation Values**, click **Add Row**.
    c. Set the following.

Field name	What you enter
From Value	0
To Value	99999
Calculation Type Override	Flat Amount
Flat Amount	New hourly wage rate

    d. Click **Submit**.

Involuntary Deduction Calculation Value Definitions

You use calculation value definition rules to help determine how the payroll process calculates the deductions.

Use the Calculation Value Definitions task to view the legislative rules for processing of involuntary deductions. Setting overrides at this level applies them to any employee with the applicable involuntary type in that legislative data group (LDG).

There are multiple rule types.

Rule type	What it does	How you can find them
Deduction rules	Defines the deduction amount and rate value definitions by deduction type and state if applicable.	1. From **My Client Groups**, click **Show More**. 2. In **Payroll**, click **Calculation Value Definitions**. 3. Perform a search for `Deduction` value definition group. You can narrow this search by providing additional info in **Name**. For example, for state-related deduction rules, query by state name, such as `Tennessee%` or `North Dakota Alimony%`. 4. Select a predefined rule to view its details.
Dependent calculation rules	Defines value definitions for employee dependents, and sets the overrides for their legislative exemption amounts.	1. Start the Calculation Value Definitions task.

Rule type	What it does	How you can find them
	Used by Creditor Debt, Garnishments, and Regional Tax Levy involuntary deductions. Some states use them to apply additional exemptions for dependents.	2. Perform a search for **`Dependent Calculation Rule`** value definition group. You can narrow this search by providing additional info in **Name**. For example, for state-related dependent calculation rules, query by state name, such as **`Tennessee%`** or **`North Dakota Creditor Debt%`**. 3. Select a predefined rule to view its details.
Exemption rules	Determines how much money is available for disposable income by identifying the exemption amounts.	1. Start the Calculation Value Definitions task. 2. Perform a search for **`Exemption Rule`** value definition group. You can narrow this search by providing additional info in**Name**. For example, for state-related exemption rules, query by state name, such as **`Alaska Garnishment%`** or **`Nevada Child Support%`**. To search for federal values, use **`Tax Levy%`**, **`Bankruptcy%`**, **`DCIA%`**, or **`Education%`**. 3. Select a predefined rule to view its details.
Fees rules	Defines how the payroll process levies additional fees required by some involuntary deduction types. These can be payable to the employer, the court, or other third-party organization.	1. Start the Calculation Value Definitions task. 2. Perform a search for **`Fees`** value definition group. You can narrow this search by providing additional info in **Name**. For example, for state-related fee rules, query by state name, such as **`Arizona Garnishment%`** or **`Nevada Child Support%`**. 3. Select a predefined rule to view its details. To reset a specific processing fee, use the Calculation Value Definitions task to update the fee value to **`0`** for your LDG. You can also reset all the processing fees. For further info, see Oracle Cloud Payroll: Need to Set All Involuntary Deduction Fees to Zero In All PODS (2306182.1) on My Oracle Support.
Limit rules	Defines the federal and state minimum wage factors as well as the maximum withholding days for involuntary deductions. Minimum and	1. Start the Calculation Value Definitions task.

Rule type	What it does	How you can find them
	maximum withholding amounts aren't currently used in the calculations.	2. Perform a search for `Limit` value definition groups. You can narrow this search by providing additional info in **Name**. For example, for state-related limit rules, query by state name, such as `Georgia Regional Tax Levy%` or `Nebraska Creditor Debt%`. 3. Select a predefined rule to view its details.

Related Topics

- Define Involuntary Deductions for the US
- Involuntary Deduction Overrides for the US
- Overview of Involuntary Deduction Overrides for the US
- Set Legislative Rule Overrides for Involuntary Deductions for the US

Wage Basis Rules

What are tax wage basis rules for the US?

Tax wage basis rules determine those employee earnings that are subject to a tax. For deductions, they determine the elements that reduce the amount subject to tax.

Each wage basis rule is associated with a primary or secondary element classification. When you define a tax wage basis rule, you can associate it with up to six references that define the context for the rule.

How Wage Basis Rules Affect Taxability for the US

The payroll process uses wage basis rules to control the taxability of employee earnings. There are predefined rules at the federal and state levels.

The following describes how the various element classifications use the wage basis rules.

> **Note:** When an earning or deduction doesn't appear in the table, the payroll process considers it nontaxable. For example, because Domestic Partner Dependent isn't taxable for federal income tax (FIT), it isn't included in the FIT wage basis rules table.

Imputed Earnings

Here's some examples of how the payroll process applies FIT to Imputed Earnings classifications.

Wage basis rule	What it does	For example
Taxable and Withhold	Marked as subject to federal taxes and withheld by the payroll process.	Cash Tips Reported
Taxable and Not Withhold	Marked as subject to federal taxes but not withheld.	Group Term Life
Nontaxable	Nontaxable classifications don't appear in the table.	Domestic Partner Dependent As this imputed earning isn't taxable for FIT, it isn't included in the table.

Pretax Deductions

Here's some examples of default wage basis rules for Medicare tax.

Wage basis rule	What it does	For example
Taxable and Withhold	Marked as subject to Medicare tax and withheld by the payroll process.	Deferred Compensation 401k
Nontaxable	Nontaxable classifications don't appear in the table.	Health Care 125 As this pretax deduction isn't taxable for Medicare, it isn't included in the table.

Supplemental Earnings

Here's some examples of how the payroll process applies Puerto Rico regional taxes to Supplemental Earnings classifications.

Wage basis rule	What it does	For example
Taxable and Withhold	Marked as subject to state tax and withheld by the payroll process.	Bonus
Taxable and Not Withhold	Marked as subject to state tax but not withheld.	Deferred Compensation Distribution
Nontaxable	Nontaxable classifications don't appear in the table.	Pensions and Annuities As this supplemental earning isn't taxable for Puerto Rico, it isn't included in the table.

Related Topics

- Example of State Tax Wage Basis Rules
- Involuntary Deduction Wage Basis Rules for the US
- What are tax wage basis rules for the US?
- Configure Wage Basis Rules for Pretax Deductions for the US

Configure Wage Basis Rules for City Taxes for the US

In this example, you want to define a wage basis rule to exempt 401 (k) Deferred Compensation contributions from Columbus, Ohio city taxes.

Define the City Tax Wage Basis Rule

1. Start the Component Group Rules task.
2. Search for your US legislative data group.
3. Under **Component Group**, click **Regional**.
4. Expand **Regional**, and then **Related Deductions**, and then **City Tax**.
5. Select **Wage Basis Rules**.
6. Under **City Tax: Wage Basis Rules**, click **Create**.
7. Enter an effective date.

   Use either your implementation date or the earliest date a pay period exists.
8. Select **OH** as the state, **Franklin** as the county, and **Columbus** as the city.
9. Select the **Pretax Deductions** primary classification and **Deferred Compensation 401k** secondary classification.
10. Select **Yes** to make this subject to wage basis rules.
11. Click **Submit**.
12. Repeat these steps for the Deferred Compensation 401k Catch-Up secondary classification.

Related Topics

- What are tax wage basis rules for the US?
- Configure Wage Basis Rules for Group Term Life Earnings
- Configure Wage Basis Rules for Pretax Deductions for the US
- Configure Wage Basis Rules for State Family Leave Insurance

Configure Wage Basis Rules for Group Term Life Earnings

In this example, you want to change the predefined wage basis rules for your Group Term Life (GTL) earnings.

In this case, you're changing the **Federal** component from **Not withholdable** to **Withholdable**.

This involves two actions.

1. Deprecate the predefined rule.
2. Define a new one.

Deprecate the Not Withholdable Rule

To cancel the default rule:

1. Start the Component Group Rules task.
2. Search for your US legislative data group (LDG).
3. Under **Component Group**, click **Federal**.
4. Expand **Federal**, then **Related Deductions**, and then **Not Withholdable**.
5. Select **Wage Basis Rules**.
6. Under **Not Withholdable Federal Tax: Wage Basis Rules**, click **Create**.
7. Enter an effective date.
8. Select the **Imputed Earnings** primary classification and **Group Term Life** secondary classification.
9. Select **No** for **Select all secondary classifications**.
10. Select **No** to make this exempt from wage basis rules.
11. Click **Submit**.

Define the Withholdable Rule

To define the rule:

1. Start the Component Group Rules task.
2. Search for your US LDG.
3. Under **Component Group**, click **Federal**.
4. Expand **Federal**, then **Related Deductions**, and then **Not Withholdable**.
5. Select **Wage Basis Rules**.
6. Under **Not Withholdable Federal Tax: Wage Basis Rules**, click **Create**.
7. Enter an effective date.
8. Select the **Imputed Earnings** primary classification and **Group Term Life** secondary classification.
9. Select **No** for **Select all secondary classifications**.
10. Select **Yes** to make this subject to wage basis rules.
11. Click **Submit**.

Related Topics

- What are tax wage basis rules for the US?
- Configure Wage Basis Rules for Pretax Deductions for the US
- Configure Wage Basis Rules for State Family Leave Insurance

Configure Wage Basis Rules for Hours Worked for the US

In this example, you need to feed all your applicable earnings elements to SUI Eligible Hours as of the start of the next calendar year and configure tax wage basis rules appropriately.

For this example, assume you're:

- Registered for state unemployment insurance (SUI) taxes in Alabama, Massachusetts, and Oregon
- Tracking vacation hours using elements with the Absence primary classification and Vacation secondary classifications
- Tracking sick hours using elements with the Absence primary classification and Sick secondary classifications

- Tracking holiday hours using elements with the Absence primary classification and Other secondary classifications

Alabama has no specific requirement on what hours to include for SUI reporting.

Massachusetts requires you include these hours for SUI reporting.

- Regular hours
- Overtime hours
- Vacation hours
- Sick hours
- Holiday hours

Oregon requires you include these hours for SUI reporting.

- Regular hours
- Overtime hours

Define Balance Feeds

By default, the payroll process includes all hours fed to the SUI state's Eligible Hours balance.

In this example, you need to define wage basis rules that exclude Oregon's vacation, sick, and holiday hours from SUI hours calculation and reduce the hours from the State Worked Hours reporting balance.

1. Define feeds to the SUI Eligible Hours balance for all applicable regular hours, overtime hours, vacation hours, sick hours, and holiday hours elements.

   These earnings hours now accumulate in the SUI Eligible Hours and State Worked Hours balances for Alabama, Massachusetts, and Oregon.

Configure the Wage Basis Rules

Because Oregon requires only regular and overtime hours for SUI reporting, you must define special wage basis rules for Oregon.

You don't need any configuration for Alabama or Massachusetts.

This ensures the payroll process reports the correct hours in the State Worked Hours balance. You configure these rules as subject to the wage basis rule in order to exclude vacation, sick, and holiday hours from SUI calculations for Oregon.

1. From **My Client Groups**, click **Show More**.
2. Click **Component Groups Rules**.
3. Search for your US legislative data group (LDG).
4. Under **Component Group**, click **Regional**.
5. In **Calculation Component Group Overview**, expand **Regional**, **Related Deductions**, and then **State Unemployment Hours**.
6. Select **Wage Basis Rules**.
7. Enter an appropriate effective date.
8. Under **State Unemployment Hours: Wage Basis Rules**, click **Create**.
9. Select **OR** as the state.
10. Select the **Absences** primary classification and **Vacation** secondary classification.
11. Select **Yes** to make this subject to wage basis rules.

This excludes the vacation hours from SUI hours calculation and reduces the hours from the State Worked Hours reporting balance.

12. Click **Submit**.
13. Repeat these steps for the elements that track sick and holiday hours.

    When you complete these steps, you will have three Oregon wage basis rules for the Absences primary classification. Each is marked as **Use in Wage Basis**.

Related Topics

- How to Calculate Hours Worked from Balances for the US
- How to Calculate Hours Worked from Run Results for the US
- What are tax wage basis rules for the US?
- How to Track Weeks Worked for State Unemployment Reporting

Configure Wage Basis Rules for Pretax Deductions for the US

In this example, you want to define state-level wage basis rules so that:

- Supplemental earnings are taxable
- Pretax deductions reduce taxable wages

Taxing Supplemental Earnings

With these steps, you identify supplemental earnings as eligible for California state taxes.

1. Start the Component Group Rules task.
2. Search for your US legislative data group.
3. Expand **Regional**, then **Related Deductions**, and then **State Tax**.
4. Select **Wage Basis Rules**, and click **Create**.
5. Enter an effective start date.
6. Select **CA** as the state.
7. Select the Supplemental Earnings primary classification.
8. Select the secondary classification.
9. Identify this as subject to the wage basis rule.
10. Click **Submit**.

Reducing Taxable Wages

1. No action is required for the pretax deductions to reduce taxable wages. Deductions of this type automatically reduce when you process payroll.
2. To change an existing pretax deduction from reducing gross wages to not reducing gross wages, define a wage basis rule.

Related Topics

- What are tax wage basis rules for the US?
- Configure Wage Basis Rules for Group Term Life Earnings
- Configure Wage Basis Rules for State Family Leave Insurance

Configure Wage Basis Rules for State Family Leave Insurance

If your organization is operating in a state that offers Family Leave Insurance (FLI), you must configure your wage basis rules appropriately.

Configure the wage basis rules for your Imputed Earning, Pretax Deduction, and Supplemental Earnings elements if they're taxable for the specific state FLI.

How to make GTL taxable for FLI

For example, here's how to make your GTL earnings taxable for FLI.

1. Start the Component Group Rules task.
2. Search for your US legislative data group (LDG).
3. In **Component Group**, click **Regional**.
4. In **Calculation Component Group**, expand **Regional**, and then **Related Deductions**, and then **State FLI**.
5. Select **Wage Basis Rules**.
6. Under **State FLI: Wage Basis Rules**, click **Create**.
7. Enter an effective date.

   Use either your implementation date or the earliest date a pay period exists.
8. Select the state.
9. Select the **Imputed Earnings** primary classification and **Group Term Life** secondary classification.
10. Select **Yes** to make this subject to wage basis rules.
11. Click **Submit**.

Example of State Tax Wage Basis Rules

This example illustrates how wage basis rules can affect a state income tax (SIT) calculation, specifically imputed earnings.

The wage basis rules for treatment of imputed earnings for SIT, such as personal use of company car, can vary by state.

For New York SIT, the payroll process calculates imputed earnings for the Personal Use of Company Car secondary classification as subject to tax but not withholdable. The process includes earnings amounts in the SIT subject not withholdable balances. These earnings are subject to SIT, but the process doesn't withheld any tax.

For other states, such as California, the payroll process considers imputed earnings amounts for this secondary classification as subject to tax. It includes earnings amounts in the SIT subject withholdable balances.

Scenario

For this example, you have a salesperson who receives a salary of $2,000 each month, working in your company's East Coast district in the state of New York. This person also has access to a company car. To be taxed properly, they must report their personal use of the car. Last month, they reported personal use that equated to $100.

The following shows the tax calculations that apply for this person in New York.

Region	Earnings in salary	Eligible imputed earnings	Subject withholdable wages	Subject not withholdable wages
New York	2000	100	2000	100

These would be the wage basis rules for the Not Withholdable State tax calculation for New York.

Region (reference value)	Primary classification	Secondary classification	Use in wage basis?
New York	Imputed Earnings	Personal Use of Company Car	Y

Related Topics

- Involuntary Deduction Wage Basis Rules for the US
- What are tax wage basis rules for the US?

Involuntary Deduction Wage Basis Rules

Wage basis rules for involuntary deductions define how:

- Earnings contribute to the disposable income for the different involuntary deduction types.

  For example, an earning type might contribute to disposable income for Child Support deductions in Alabama but are excluded in California.
- Deductions reduce the disposable income for the different involuntary deduction types.

  For example, a deduction type might reduce the disposable income for Tax Levy deductions but not for Child Support.

Note: Configuring these wage basis rules to exclude element classifications isn't a suitable alternative for configuring time-of-writ deductions for tax levies. The payroll process doesn't refer to the wage basis rules when it determines what liabilities the employee had at the time a levy was served.

To view the wage basis rules that have been predefined at the state and federal level:

1. Start the Component Group Rules task.
2. Search for and select **Involuntary Deductions**.
3. In the tree structure, expand **Involuntary Deductions**.

   Enlarge **Calculation Component Group Overview** to view the tree.
4. Expand **Wage Basis Rules**.
5. Select the appropriate node.
   - **State** to view state-specific rules
   - **No References** to view federal rules

   A table of all wage basis rules displays, organized by the appropriate state and deduction type.

To view the rules by deduction type, expand the tree under **Related Deductions** and select the appropriate type.

Green check marks under **Deductions** have different meanings for earnings and deductions.

A check mark here	Means this
Supplemental earnings	Identifies the classifications that contribute to the disposable income for that deduction type. For example, the Bonus supplemental earning for Alabama is marked as contributing to disposable income for Child Support, Garnishment, and Alimony calculations.
Deductions	Identifies the classifications subject to disposable income. These classifications don't reduce the disposable income for calculations of the indicated involuntary deductions. For example, the Health Care 125 pretax deduction for Alabama is marked as subject to disposable income for Child Support, Garnishment, and Alimony calculations. For the classifications that aren't subject to disposable income, no wage basis rule exists. These classifications reduce the disposable income for calculations of the involuntary deduction. For example, the Health Care 125 pretax deduction for Colorado isn't subject to disposable income for Child Support or Garnishment calculations.
Employee Requested	This payroll component has predefined wage basis rules. By default, all earnings and deductions are subject to disposable income for this component. You can modify them to suit your needs.

FAQ for Wage Basis Rules

Why can't I edit the secondary classifications for a wage basis rule?

You probably defined the rule for the primary classification to include all secondary classifications in the wage basis.

Edit the primary classification row, and deselect the **Select all secondary classifications** option. You can then edit individual secondary classification rows, and select **Use in wage basis** only for those classifications to be considered in the wage basis.

Related Topics

Tax Calculation Methods

Tax Calculation Methods

The payroll process uses various calculation methods to calculate taxes. Different calculation methods are available for each type of pay run and each type of jurisdiction.

The payroll process includes these earnings for these run types.

These run types	Include these earnings
Regular	• Regular • Supplemental • Imputed
Supplemental	• Supplemental

Tax calculation methods involve the following considerations.

- What taxes the process calculates
- What taxes are eligible for self-adjustment
- What calculation methods are available for:
    - Federal income tax (FIT)

      For further info, see Calculation Methods for Federal Income Tax in the Help Center.
    - Other federal taxes

      For further info, see Calculation Methods for FUTA, Medicare, and Social Security in the Help Center.
    - State income tax (SIT)

      For further info, see Calculation Methods for State Income Tax in the Help Center.
    - Other state taxes

      For further info, see Calculation Methods for Other State Taxes in the Help Center.
- How you configure taxes on the organization calculation cards

Calculation Methods for Federal Income Tax

You can use these calculation methods for federal income tax (FIT).

Calculation method	Earnings types	What it does
Annualized	• Regular	Default tax method for **Regular** earnings. 1. Annualizes the earnings by multiplying them by the annual number of pay periods. 2. Subtracts the applicable allowance and standard deductions. 3. Calculates the tax for the year. 4. Divides this amount by the annual number of pay periods. For period-to-date tax calculations: 1. Includes the earnings in all Regular runs for the period. 2. Applies the Annualized calculation method to them. 3. Subtracts any tax taken in previous runs from the period-to-date tax.
Cumulative	• Regular • Regular and Supplemental • Supplemental	Select this method on the **Federal** component of the employee's Tax Withholding card. For further info, see Cumulative Tax Withholding in the Help Center.
Tiered Flat Rate	• Supplemental	Default method for supplemental payroll runs. The payroll process applies the appropriate flat percentage as set by the IRS.
Previous Aggregation	• Supplemental	1. Adds the current run's **Supplemental** earnings to any **Regular** or **Supplemental** earnings already processed for the current run. 2. If there aren't any **Regular** or **Supplemental** earnings in the current period, it aggregates the **Regular** earnings from the prior period. 3. If there aren't any **Regular** earnings in the prior period, it annualizes the current run's **Supplemental** earnings against themselves. 4. Calculates the tax. 5. Subtracts any tax already withheld in the current or prior period from this result.
Concurrent Aggregation	• Regular and Supplemental	This is the default method for **Regular and Supplemental** payroll runs. 1. Adds the **Supplemental** earnings to the **Regular** earnings. 2. Uses the Annualized method to calculate the tax.
Tiered Flat Rate Combined	• Regular and Supplemental	1. Calculates taxes on **Regular** earnings using the Annualized method.

Calculation method	Earnings types	What it does
		2. Calculates taxes on **Supplemental** earnings using the Tiered Flat Rate method.

Calculation Methods for FUTA, Medicare, and Social Security

You can use these calculation methods for unemployment insurance (FUTA), Medicare, and Social Security (SS) taxes.

Calculation method	Run types	Self-adjustment method	What it does
Flat Rate	• Regular and Supplemental	No Self Adjust	Withholding calculations don't self-adjust retroactively for any rate changes. If a back-dated rate change occurs, the payroll process uses the new rate only for the current run's taxable wages.
Flat Rate	• Regular and Supplemental	Self Adjust	Bases the withholding calculations on year-to-date earnings, instead of earnings within a pay run. This provides the most accurate calculation. For retroactive rate changes, the payroll process self-adjusts the tax withholding or liabilities in the next available pay run.
Flat Rate	• Regular and Supplemental	Self Adjust at Maximum	Similar to the Self Adjust method, except adjusts for changes only after the maximum annual taxable wage base is reached.

Calculation Methods for State Income Tax

You can use these calculation methods for state income tax (SIT).

Calculation method	Earnings types	What it does
Alternate Annualized	• Supplemental	1. Annualizes the earnings by multiplying them by the annual number of pay periods. 2. Calculates the tax.

Calculation method	Earnings types	What it does
		3. Divides this amount by the annual number of pay periods.
Alternate Flat Rate	• Supplemental	Applies only to California's 10.23% tax on certain **Supplemental** earnings.
Annualized	• Regular • Regular and Supplemental • Supplemental	Default tax method for **Regular** earnings. For standard tax calculations: 1. Annualizes the earnings by multiplying them by the annual number of pay periods. 2. Subtracts the applicable allowance and standard deductions. 3. Calculates the tax for the year. 4. Divides this amount by the annual number of pay periods. For period-to-date tax calculations: 1. Includes the earnings in all Regular runs for the period. 2. Applies the Annualized calculation method to them. 3. Subtracts any tax taken in previous runs from this amount.
Annualized Concurrent Aggregation	• Regular and Supplemental	1. Annualizes the **Regular** earnings by multiplying them by the annual number of pay periods. 2. Adds the **Supplemental** earnings for this run. 3. Calculates the tax on this amount. 4. Divides this amount by the annual number of pay periods.
Annualized Previous Aggregation	• Supplemental	1. Annualizes the **Regular** earnings by multiplying them by the annual number of pay periods. 2. Adds the **Supplemental** earnings for this run. 3. Calculates the tax on this total amount. 4. Annualizes the tax on the preivous run's **Regular** earnings by multiplying it by the annual number of pay periods. 5. Subtracts in the amount calculated in step 4 from the amount calculated in step 1.
Concurrent Aggregation	• Regular and Supplemental	Default method for **Regular and Supplemental** earnings. 1. Adds the **Supplemental** earnings to the **Regular** earnings. 2. Uses the Annualized method to calculate the tax.
Cumulative	• Supplemental and Supplemental	Select this method on the State component of the employee's Tax Withholding card.

Calculation method	Earnings types	What it does
		For further info, see Cumulative Tax Withholding in the Help Center.
Flat Rate	• Regular • Supplemental	Multiplies the earnings by a flat rate percentage.
Flat Rate Combined	• Regular and Supplemental	1. Calculates taxes on **Regular** earnings using the Annualized method. 2. Calculates taxes on **Supplemental** earnings using the Flat Rate method.
Percentage of Federal	• Supplemental	Multiplies the federal supplemental tax amount by a flat percentage rate. This percentage is unique for each state that uses this method.
Percentage of Federal Combined	• Regular and Supplemental	1. Calculates taxes on **Regular** earnings using the Annualized method. 2. Calculates taxes on **Supplemental** earnings using the Percent of Federal method.
Previous Aggregation	• Supplemental	1. Adds the current run's **Supplemental** earnings to any **Regular**, **Supplemental**, or **Regular and Supplemental** earnings already processed for the current period. These wages are based on each state's legislative requirements. 2. If there are no **Regular**, **Supplemental**, or **Regular and Supplemental** earnings in the current period, it aggregates the Regular earnings from the prior period. **Note:** Delaware SIT skips this step. 3. If there are no **Regular** earnings in the prior period, it annualizes the current run's **Supplemental** earnings against themselves. 4. Calculates the tax. 5. Subtracts any tax already withheld in the current or prior period from this result.
Tiered Flat Rate	• Supplemental	Multiplies an employee's wages by a percentage rate. This percentage rate varies based on the amount of an employee's wages.
Tiered Flat Rate Combined	• Regular and Supplemental	1. Calculates taxes on **Regular** wages using the Annualized method. 2. Calculates taxes on **Supplemental** wages using the Tiered Flat Rate method.

Calculation Methods for Other State Taxes

You can use these calculation methods for unemployment insurance (SUI), disability insurance (SDI), family medical leave insurance (FMLI), Massachusetts EMAC and Vermont Child Care taxes.

Calculation method	Run types	Self-adjustment method	What it does
Flat Rate	Regular and Supplemental	No self adjust	Withholding calculations don't self-adjust retroactively for any rate changes. If a back-dated rate change occurs, the payroll process uses the new rate only for the current run's taxable wages.
Flat Rate	Regular and Supplemental	Self adjust	Bases the withholding calculations on year-to-date earnings, instead of earnings within a particular pay run. This provides the most accurate calculation. For retroactive rate changes, the payroll process self-adjusts the tax withholding or liabilities in the next available pay run.
Flat Rate	Regular and Supplemental	Self adjust at maximum	Like the Self Adjust method, except adjusts for changes but only after the maximum annual taxable wage base is reached.
Flat Rate	Regular and Supplemental	Quarterly self adjust	Performs adjustments for rate changes on a quarterly basis. Available for state taxes only. Use this method in cases where a state changes its rate midyear. By checking each quarter individually to determine adjustments, it maintains the integrity of the calculations before the change.

Calculate Income Taxes as Period-to-Date for the US

By default, the payroll process taxes multiple regular payroll runs in the same period as if they're individual payments. However, you can opt to tax them as if they're paid as one payment.

This applies to both federal (FIT) and state income taxes (SIT).

To configure this:

1. From your implementation project, open the appropriate organization calculation card for editing.
    - For the payroll statuary unit (PSU) card, use the Legal Entity Calculation Cards task.
    - For the tax reporting unit (TRU) card, use the Legal Reporting Unit Calculation Cards task. Settings on this card override settings on the PSU organization card.
2. In **Component Groups**, click **Federal**.
3. Select the **Federal Income Tax** calculation component.
4. In **Calculation Component Details**, expand **Federal Income Tax Organization Information**.
5. Click **Edit** and then **Update**.
6. Select **Yes** for **Enable Period-to-Date Tax Calculation**.
7. Click **Save and Close**.

Related Topics

- What Federal and Regional Taxes Are Available for the US

Examples of Tax Calculation Methods

The following examples illustrate how the payroll process calculates taxes using the various calculation methods.

Default Method for Federal Runs

During a hypothetical reporting year, for an employee on a biweekly payroll and claiming single 0, the payroll process would calculate these earnings and taxes.

Period	Payroll run	Taxable earnings	Tax due
1	Regular run	$2500	$440.72
2	Regular run	$5000	$1107.95
3	Regular run 1	$2500	$440.72
3	Regular run 2	$2500	$440.72

Default Method for Federal Runs Using Period-to-Date Amount

However, for that same year, if the payroll process uses the period-to-date amount, its results would be this.

Period	Payroll run	Taxable earnings	Tax due
1	Regular run	$2500	$440.72
2	Regular run	$5000	$1107.95

Period	Payroll run	Taxable earnings	Tax due
3	Regular run 1	$2500	$440.72
3	Regular run 2	$2500	$667.23

In this case, the payroll process:

1. Combines the third period wages.
2. Calculates what would have been withheld had the $5000 been paid in one run.
3. Subtracts what was withheld already for that period.
   This determines the difference to withhold for the second regular run of the third period.
   $1107.95 - $440.72 = $667.23

Aggregation Method for Supplemental Federal Runs

For an employee that's:

1. On a biweekly payroll, claiming single 0
2. Has bonus earnings configured as Supplemental and process and pay with other earnings

In this case, the payroll process results would be:

Period	Payroll run	Taxable earnings	Tax due
1	Supplemental	$5000	$1107.95
2	Regular	$2500	$440.72
2	Supplemental	$5000	$1372.23
3	Regular	$2500 + $5000	$1812.95

Flat Percentage Method for Federal

For an employee that's:

1. On a biweekly payroll, claiming single 0
2. Has bonus earnings configured as Supplemental and process and pay with other earnings

In this case, the payroll process results would be:

Period	Payroll run	Taxable earnings	Tax due
1	Supplemental	$5000	$1250
2	Regular	$2500	$440.72

Period	Payroll run	Taxable earnings	Tax due
2	Supplemental	$5000	$1250
3	Regular	$2500 + $5000	$1812.95

Related Topics

- Tax Calculation Methods for the US

How do I disable a tax for the US?

In cases where you need to stop calculating a tax and accumulating wages, you can do it for your entire organization or for individual employees.

How to stop tax collection for your organization

You can do this at either payroll statutory unit (PSU) or tax reporting unit (TRU) level.

> **Note:** Some state taxes require special steps to bypass them. For further info, see What federal and regional taxes are available for the US? in the Help Center.

1. To stop calculating a tax at the PSU level, use the Legal Entity Calculation Cards task from your implementation project.

   To stop at the TRU level, use the Legal Reporting Unit Calculation Cards task.

   Settings at the TRU level override those at the PSU level.
2. Select the appropriate component group and calculation component for the tax.
3. Select **Enterable Calculation Values on Calculation Cards**.
4. Click **Create**.
5. Search for and select the appropriate calculation value.

For this tax	Use this
Federal Income Tax	Tax exemption
Federal Unemployment	Employer tax exemption
Medicare	Employee tax exemption Employer tax exemption
Social Security	Employee tax exemption

For this tax	Use this
	Employer tax exemption
State Disability	Employee tax exemption Employer tax exemption
State Family Leave Insurance	FLI employee tax exemption FLI employer tax exemption
State Income Tax	Tax exemption
State Medical Leave Insurance	MLI employee tax exemption MLI employer tax exemption
State Parental Leave Insurance	PLI employee tax exemption PLI employer tax exemption
State Unemployment	Employee tax exemption Employer tax exemption
Washington Long Term Care	Employee tax exemption

6. In **Value**, select the appropriate exemption status.
7. Save your work.

How to stop tax collection for an individual

You do this on the person's Tax Withholding card.

Rate Definitions

Overview of Rate Definitions

Use rate definitions to create rates such as salary rates, absence rates, time card rates, and other types of payroll rates.

Further, you can use a rate definition for different types of rate calculations. For example, use a salary rate definition to display an employee's salary on the salary page. You can also use it to display the employee's salary rate on the time card and to pay the employee's salary in Cloud Payroll.

Here are some rate types that you can create:

- Compensation rates, such as a base salary or car allowance rate.
- Rates based on a set of criteria and conditions. For example, a union rate that's based on the job and location of an employee.
- Rates with multiple rate contributors, such as an overall salary rate, which is the sum of multiple salary components.
- Rates derived on the grade of an employee, such as a base salary rate and payroll balance rates, such as pension reporting rate.
- Rates calculated based on other rates. For example, a shift allowance rate that's calculated based on a percentage of the employee's salary rate.

You can define minimum and maximum validation rules for your rate definition. For example, define a minimum rate rule to ensure that an employee isn't paid less than the minimum hourly rate for their job.

When you create a rate definition, you can define a frequency for the rate returned by the calculation, such as 50,000 annually, or 7.25 hourly. Alternatively, you can define a rate that's calculated for a unit of work, such as a shift rate, or a mileage rate. You can control if the application calculates the rate values live or retrieves it based on the results of the Generate HCM Rates process. For example, it's a common practice for salary rates to be calculated live when you enter the salary page for an employee.

As a cloud payroll user, you can calculate most rate calculations live in the payroll run. However, you'll need to perform some complex rate calculations using the Generate HCM Rates process. In this scenario, Cloud Payroll retrieves the stored rate value directly from the rates reporting table for an employee. You can use the rates generated by the Generate HCM rates process for generating reports, such as pension reports.

Use the Rate Definitions task to define and manage rate definitions.

Categories

To create a new rate, select a category from this table.

Category	What it Does
Derived Rate	Retrieves values from one or more payroll balances or other rate definitions, including rates that retrieve element entry values. Use this option to create a rate that retrieves a value from one or more rate contributors.
Element	Retrieves rate information from an element input value. When using salary rates, use this type of rate definition to create and update entries, such as create or update a salary element entry. Select a storage type of Amount or Factor and then select the name of a corresponding element. You can select one of these storage types: • Amount: Retrieves a value from or posts to the element input value with a special purpose of Primary Input Value. For example, 'Amount' is the primary input value for elements created with the flat amount calculation rule, such as salary. If you associate a flat amount salary element with a rate, the application retrieves or posts to the salary amount for an employee.

Category	What it Does
	• Factor: Retrieves a value from or posts to the element input value with a special purpose of Factor. The 'Factor' is the primary input value for elements created with the Factor calculation rule. Use this rate definition to apply the factor held on an element entry to a payroll balance. You can also use it to apply it to another rate definition including base rates or an overall salary rate. For example, the application calculates your company's car allowance rate based on a factor of salary. The application captures the factor value, such as 0.05 at the employee level on their car allowance element entry. When creating the car allowance rate definition, select your car allowance element to enable the rate to retrieve the factor value for an employee. In the rate contributor region, select your salary rate definition. This selection ensures that the application calculates the car allowance rate based on a factor value of the employee's salary rate. **Note:** The element rate doesn't support the input value information that's held on Hours x Rate elements. It's a common practice for the payment rate for this type of element to be based on a recurring flat amount element, such as salary. **Note:** Salary rates supports Factor, but the payroll run doesn't. Use the **Generate HCM Rates** process to calculate this type of rate. Also, you can use the process to retrieve the stored value in the payroll run using the predefined `CALL_CALC_VALUE` formula.
Value by Criteria	Retrieves values from a single value by criteria definition. A value by criteria definition specifies one or more evaluation conditions that determine a particular value or rate. You can specify the conditions as a tree structure to define the evaluation sequence. For example, you can define a value-by-criteria to capture car allowance and housing allowance values based on an employee's job. Define a rate definition to retrieve car allowance rates and another rate definition to retrieve housing allowance rates. Both rate definitions refer to the same value-by-criteria and use the criteria of job to retrieve the appropriate rate values for an employee.
Grade Rate	Retrieves values based on an employee's grade details.
Formula	Retrieves values from a rate definition formula. The Generate HCM Rates process supports the calculation of most formula-based rates. However, rates that include complex payroll formula contexts or use balances calculated within the payroll run, are calculated by the payroll run. **Note:** Formula-based rates are only supported for rate calculations in the payroll run.

Related Topics

- Options to Configure Rate Definitions
- Rate Contributors for Derived Rates
- Configure Elements Used by Rate Definitions
- Overview of Values Defined by Criteria
- Calculate Values Defined by Criteria

Options to Configure Rate Definitions

To configure rate definitions to get your desired rates, you should know how to use the various rate definition options. For rates based on a single element entry value, you can also apply override and defaulting rules.

Note: Use the **HCM Generate Rates** process to calculate factor based element rates.

This table describes the fields that you can configure for the Derived Rate, Element, and Value by Criteria category types.

Field	Category	Description
Storage Type	Element	If you select the Element category to define a rate, you must select a storage type of **Amount** or **Percentage**. For example, you can configure a rate definition using the Salary element. If the salary is held as a monetary value, select **Amount**. If the salary is a factor of another value, such as a balance, select **Percentage**. **Note:** This field is hidden for all rate definition categories other than Element.
Element Name	Element Derived Rate	For the Element category, the field is enabled only when you select the storage type. If you select the Element category to define a rate, you must select an element name. This is required if you're configuring a primary rate. This is a rate that retrieves a value from a single element, such as salary. For the Derived Rate category, the field is enabled when you access the page.
Employment Level	Derived Rate Value by Criteria	Select either **Payroll Relationship**, **Term**, or **Assignment**. This field is mandatory for all derived rates and value by criteria rate definitions. It controls which employment ID the rates process uses when calling a rate.

Field	Category	Description
		If the employee has multiple assignments, the rates process uses the assignment ID to identify the correct assignment record for the employee. Sometimes the contributor value is held at a different level to the employment level defined on the rate. In such cases, the rate process uses the employment ID to locate the correct record.
Status	Element Derived Rate Value by Criteria	Set the status of a rate to active or inactive. You can't assign an inactive rate to an employee. Employees that are allocated a rate while it was active aren't impacted by a change in status to inactive.
Base Rate	Element	Select this option if the rate represents a base rate that another rate uses in its calculation. For example, you might have day shift employees and night shift employees, with different base pay rates. If each set of employees receives an allowance that's a percentage of the base rate, define one allowance rate. And that rate is calculated based on the two rates that have the **Base Rate** option selected.
Overall Salary	Element Derived Rate	If you're defining rates for use on the Salary page, use the derived rate category and define an Overall Salary. To do this, you must associate a salary element to the rate. Define an Overall Salary Information element for this purpose.
Reporting Required	Element Derived Rate Value by Criteria	Select this option to indicate if the calculated rate value should be stored on the rate table for reporting purposes. If you're defining rates for use on the Salary page, you must select this option. Rate definitions with this option selected are included when the Generate HCM Rates batch process is run. Use this feature to report on primary rates and not derived rates. HCM extracts use this report to send data to third parties.
Value by Criteria Name	Value by Criteria	If you select the Value by Criteria category to define a rate, you must select a Value by Criteria name. A value by criteria definition specifies one or more evaluation conditions that determine a particular value or rate.

Returned Rate Details

You can specify the periodicity of the returned rate, factor rules, currency, decimal display, rounding rules, and minimum and maximum rules. If the process returns a rate that's outside the minimum and maximum range, you can do one of these actions.

- Set up an action that enforces the rule, displays a warning
- Forces the user to fix the error

Select the **Return FTE Rate** check box to instruct the rate definition process to return a part-time value by applying an employee's FTE to the rate value.

Periodicities

You must specify a periodicity, such as hourly or weekly, for the returned rate and each rate contributor. However, when you use the rate in a formula, you can override the default periodicity.

The rate calculation converts each contributor to the periodicity specified on the rate contributor. It then adds or subtracts the rate contributors, even if the periodicities are different. In most cases, they will be the same. Once the rate contributors are summed up, the rate calculation then converts them into the return periodicity and currency.

For example, for a rate with a periodicity of weekly using the Standard Rate Annualized conversion formula, the rate calculation does these actions.

1. Calculates an annual figure from the value and periodicity of each contributing earning and deduction.
2. Converts the annual figure into a weekly value.

By default, rates are converted using these predefined rate conversion formulas.

- Standard Rate Annualized
- Standard Rate Daily
- Standard Working Hours Rate Annualized
- Assignment Working Hours Rate Annualized
- Periodic Work Schedule Rate Annualized

If the values in the predefined conversion rules don't meet your requirements, you can define your own.

Factor Rules

You can apply a factor or multiplier to a calculated rate, or to an individual rate contributor. To apply a factor rule, do these steps.

- Select Value as the factor rule.
- In the Factor field, enter the number by which you want to multiply the rate.
- Add the contributor.

You can apply a factor rule to the rate definition, rate contributors, or both. For example, you can define rate contributors to calculate hourly values based on salary and bonus. You can then apply a factor of 1.0 or 100 percent to the salary balance contributor and a factor of 0.5 or 50 percent to the bonus balance contributor. The factor rule is applied to the rate before the periodicity conversion is applied.

Minimum and Maximum Values

You can define minimum and maximum values for the returned rate, and for individual rate contributors.

Use the **Limit Violation Action** field to display an error, warning, or enforce the application to use minimum or maximum value that you enter. For example, you can enter 500 as the minimum value and then select **Enforce Rules**. If the returned value comes back as 400, the application uses 500 as the value.

This table explains the options for the minimum and maximum rate values.

Value	Comments
Null	No minimum or maximum value
A specified value	Example: 2000
Based on another rate	Uses the calculated value of the rate definition that you select. Be careful that you don't create a loop. For example, Rate A has minimum value that's based on Rate B, which has a minimum value based on Rate A. This situation would result in a runtime error.
Value by Criteria	Minimum or maximum value based on a value by criteria definition.

Override and Defaulting Rules

You can set override and default rules only if you select Element as the category when you define rate definitions. Set up override rules for the element associated with your rate definition. If you select the **Override Allowed** check box, you can enter rate values on the Salary page.

If an element input validation formula has been defined for the rate contributor input value, you can view it in the Override and Defaulting Rules section.

> **Note:** You can't define override and defaulting rules if you select the Values by Criteria category to define a rate. But you can select a formula to validate any rate that's returned and also use formulas to create default values.

For example, you can use the HCM Rates Default Value formula type to define the number of workdays in a year for your organization.

```
workday = 250
periodicity = YEAR
return workday, periodicity, currency
```

In addition, you can use a value by criteria definition as the default type. Here, the process uses the value for the first record created and carries that value forward in subsequent records, unless it's manually overridden. The rate engine reevaluates the rate that the value by criteria method creates for each subsequent record. So, this rate could change. For example you could use a value by criteria definition to enable a default value of 10 percent for bonuses that are targeted to all eligible employees.

Contributor Rules

You can specify the periodicity for the contributor total. To process contributor totals as full-time equivalency amounts, select **Yes** in the **Process Contributor Total as FTE Amount** field. The final rate value is converted from this status to the Return Rate FTE status.

Information

In this section, enter text that explains the purpose of the rate, how the rate is calculated, or provides further details for the rate. This section isn't available for rate definitions using the Value by Criteria categories.

Related Topics

- Rate Contributors for Derived Rates
- Configure Elements Used by Rate Definitions
- Configure Periodicity Conversion Rules
- Element Input Validation Formula Type

Configure Elements Used by Rate Definitions

If you create rate definitions that reference element input values, you must configure them for the different calculation rules, such as Flat Amount and Factor.

This ensures that the values calculated by the rate are consistent with the values processed through payroll.

Elements use the predefined CALL_CALC_VALUES formula to calculate rate values in Calculate Payroll and Generate HCM Rates. Each element also requires the necessary payroll calculation information is defined such as values definitions, calculation steps and calculation factors.

When you create elements with a category such as Time Card or Absence, you can associate a default rate definition and the application generates all the rules and definitions required to calculate the rate.

When you create elements with a category of Standard, you need to update the element formula to use CALL_CALC_VALUE and create the payroll calculation information required to associate the rate definition to the element and calculate the rate.

Do these element configuration steps if you're using this element for a rate definition with the category element.

1. Create an element of type **Recurring** or **Assignment level**.
2. Don't select the **Multiple Entries Allowed** check box.
3. Select a special purpose for each element input value.
    a. **Primary Input Value** for an Amount value.
    b. **Factor** for a Factor value.
    c. **Periodicity** for a Periodicity value.

    > **Note:** When creating elements for use in rate definitions, don't select Periodically. The Rate Definition process is unable to convert rates with a periodicity of periodically to different frequencies such as annual, weekly, and daily.

4. If the flat amount is a full-time equivalent value, you must select **Yes** in the **Default** field for the Full-Time Equivalent input value.

5. Create element eligibility.

Configure Elements to Create Rate Definitions for Flat Amount Calculations

1. On the Home page, click the **Elements** quick action under the **My Client Groups** tab.
2. Click **Create**.
3. Enter these values.

Field	Value
Legislative Data Group	Select your legislative data group
Primary Classification	Standard Earnings
Category	Standard

4. Click **Continue**.
5. Enter a name, reporting name, and description.
6. Enter the effective date.
7. Answer the questions in the Duration and Standard Rules sections.

> **Note:** Multiple entries aren't allowed.

8. For the question, At which employment level should this element be attached?, select **Assignment Level**.
9. For the question, Does this element recur each payroll period, or does it require explicit entry? select **Recurring**.
10. Click **Next**.
11. In the Calculation Rules section, select **Flat Amount** and then click **Next**.
12. Click **Submit**.
13. On the Element Summary page under the Input Values folder, select **Full-Time Equivalent**.
14. Check that these values exist.

Field	Value or Check Box Status
Name	Full-Time Equivalent
Special Purpose	Full-Time Equivalent
Unit of Measure	Character
Displayed	Selected
Allow User Entry	Selected
Required	Deselected

Field	Value or Check Box Status
Create a Database Item	Selected
Default	No
Lookup Type	PAY_TMPLT_YES_NO

Configure Elements to Create Rate Definitions for Factor Calculations

1. Repeat steps 1 through 9 in the first procedure.
2. In the Calculation Rules section, select **Factor** and then click **Next**.
3. Click **Submit**.
4. On the Element Summary page under the Input Values folder, select **Pay Value**.
5. Check that these values exist.

Field	Value or Check Box Status
Name	Pay Value
Special Purpose	Primary output value
Unit of Measure	Money
Displayed	Selected
Allow User Entry	Selected
Required	Deselected
Create a Database Item	Selected

6. On the Element Summary page under the Input Values folder, select **Factor**.
7. Check that the following fields and values exist.

Field	Value or Check Box Status
Name	Factor

Field	Value or Check Box Status
Special Purpose	Factor
Unit of Measure	Number
Displayed	Selected
Allow User Entry	Selected
Required	Deselected
Create a Database Item	Selected

Test Your Element Configuration

You're almost done. Now, to test your element configuration, follow these steps.

Note: These procedures are for payroll users only.

Step	Page	Do This Action
1	My Client Groups	Find a payroll and an employee that you can use for testing purposes.
2	Elements	For the Flat Amount element, use the Pay Value balance feed to enter an Eligible Compensation balance for the Percentage element.
3	Element Entries	Add the Flat Amount and Percentage elements to the employee as element entries and enter input values.
4	Submit a Process or Report	Enter a suitable period for the payroll you selected in step 1.
5	Submit a Process or Report	Run the payroll.
6	View Payroll Process Results	Check if the payroll results are correct.

Related Topics

- Overview of Rate Definitions
- Options to Configure Rate Definitions
- Rate Contributors for Derived Rates
- Calculate Standard Earnings Rate Using Values Defined by Criteria
- Payroll Calculation Information
- Overview of Payroll Calculation Information Formulas

Rates Defined by Formula

You can define rates based on Fast Formula.

Let's consider an example where an employee can work in a job at a higher grade than their normal job. The rate paid to that employee is based on different criteria and includes rules, such as the minimum rate must be at least 1.00. You can use a formula to step up the grade to the next level and to return the rate assigned to that higher grade.

On the Rate Definition page, **Calculation Formula** field, select the **HCM Rates Calculate Value** formula type. The formula type supports contexts, such as assignment, payroll relationship, and job. You can select and create the correct formula for rate definitions from all standard database items.

Write a Formula

You can write your own formula when the formula type is **HCM Rates Calculate Value**.

The formula has certain inputs and return value, but the rate always returns these values:

- Monetary Amount
- Currency
- Periodicity

Note: Formula-based rates are only supported for rate calculations in the payroll run.

Examples

In this formula, the return values set to 65.23, but you can add the required logic to calculate the rate return values.

```
Default for value_name is EMPTY_TEXT_NUMBER
default for value_value is EMPTY_TEXT_NUMBER
default for value_datatype is EMPTY_TEXT_NUMBER

inputs are

 value_name (text_number),
 value_value (text_number),
 value_datatype (text_number),

AMOUNT = 65.23
CURRENCY = 'USD'
PERIODICITY = 'YEAR'
```

```
return AMOUNT, CURRENCY, PERIODICITY
```

Let's consider another example where the formula returns a rate based on a job. You can use this formula to calculate a rate value when an employee works in a job at a higher grade than at their normal job.

```
default for value_name is EMPTY_TEXT_NUMBER
default for value_value is EMPTY_TEXT_NUMBER
default for value_datatype is EMPTY_TEXT_NUMBER

default for PER_ASG_ELIG_JOBS_CURRENCY is 'UNKNOW'
default for PER_ASG_ELIG_JOBS_END_DATE is '0001/01/01 00:00:00' (date)
default for PER_ASG_ELIG_JOBS_FREQUECY is 'YEARLY'
default for PER_ASG_ELIG_JOBS_FROM_DATE is '0001/01/01 00:00:00' (date)
default for PER_ASG_ELIG_JOBS_JOB_CODE is 'UNKNOW'
default for PER_ASG_ELIG_JOBS_JOB_ID is 0
default for PER_ASG_ELIG_JOBS_JOB_NAME is 'UNKNOWN'
default for PER_ASG_ELIG_JOBS_MANUAL_RATE is 0
default for PER_ASG_JOB_ID is 0

inputs are
 value_name (text_number),
 value_value (text_number),
 value_datatype (text_number)

 AMOUNT = 0
 PERIODICITY = 'YEARLY'
 CURRENCY = 'USD'

 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - count is : ' || to_char(value_name.count))
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - count2 is : ' || to_char(value_value.count))
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - count3 is : ' || to_char(value_datatype.count))

 l_job_id = PER_ASG_JOB_ID
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_job_id is : ' || to_char(l_job_id))

 i = 0
 while (i < value_name.count) loop
 (
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - name is : ' || value_name[i])
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - value is : ' || value_value[i])
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - datatype is : ' || value_datatype[i])

 if(value_name[i] = 'PER_ASG_JOB_ID') then
 (
 l_job_id = to_num(value_value[i])
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_job_id has been set with : ' || to_char(l_job_id))
 )

 i = i + 1
 )

 CHANGE_CONTEXTS(JOB_ID = l_job_id)
 (
 l_t_dummy = PER_ASG_ELIG_JOBS_CURRENCY
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_t_dummy is : ' || l_t_dummy)
 if(l_t_dummy != 'UNKNOW') then
 (
 CURRENCY = l_t_dummy
 )

 l_dt_dummy = PER_ASG_ELIG_JOBS_END_DATE
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_dt_dummy is : ' || to_char(l_dt_dummy))

 l_t_dummy = PER_ASG_ELIG_JOBS_FREQUECY
 l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_t_dummy is : ' || l_t_dummy)
 if(l_t_dummy != 'UNKNOW') then
```

```
(
PERIODICITY = l_t_dummy
)

l_dt_dummy = PER_ASG_ELIG_JOBS_FROM_DATE
l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_dt_dummy is : ' || to_char(l_dt_dummy))

l_t_dummy = PER_ASG_ELIG_JOBS_JOB_CODE
l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_t_dummy is : ' || l_t_dummy)

l_n_dummy = PER_ASG_ELIG_JOBS_JOB_ID
l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_n_dummy is : '||to_char(l_n_dummy))

l_t_dummy = PER_ASG_ELIG_JOBS_JOB_NAME
l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_t_dummy is : ' || l_t_dummy)

l_n_dummy = PER_ASG_ELIG_JOBS_MANUAL_RATE
l_log = PAY_INTERNAL_LOG_WRITE('[RATE_FML] - l_n_dummy is : '||to_char(l_n_dummy))
if(l_n_dummy > 0) then
(
AMOUNT = l_n_dummy
)
)

return AMOUNT, PERIODICITY, CURRENCY
```

Related Topics

- Overview of Rate Definitions

Rate Contributors for Derived Rates

You can add four different types of rate contributors to your rate definitions. These rate contributes include, Balance, Base Rate, Overall Salary, and Rate Definitions.

You can add rate contributors when you define a rate using the Derived Rate category. You can also manually add rate contributors for the Element category when the storage type is Factor.

For example, if you define a bonus rate which is 0.1 (10 percent) of average earnings, then you do these steps.

- Enter 0.1 as the factor on the element.
- Define a rate contributor based on your average earnings balance.

Rate Contributor Types

This table lists the types of rate contributors, descriptions, and the additional fields that display for each type.

Type	What it Contains	Additional Fields
Balance	Value calculated by these payroll processes. • An employee's average salary rate over their last three months of salary payments • Taxable earnings for the last tax year • Commissions paid in the last quarter	Balance Name Balance Dimension Divisional Balance

Type	What it Contains	Additional Fields
Base Rate	Value from the employee's Base Rate	Employment Level
Overall Salary	Value from the employee's Overall Salary rate **Note:** Each overall salary element must be associated with only one overall salary rate. In addition, if the rate definition is an overall salary rate, you can't select Overall Salary as the Contributor Type.	Employment Level
Rate Definition	Other rate definitions that contribute to the rate definition you're creating. For example you can add regular salary, car allowance, and bonus pay rate contributors together to create an overall salary definition.	Rate Name

Reference Dates

You can select a reference date, which is the date the application uses to retrieve rate contributor information for the rate calculation. The reference date specifies the context for the balance dimension.

For example, to retrieve a rate as of the actual start of an absence, select Absence Start Date. To retrieve a rate as of a specific time period, select a specific time period.

The Reference Date field lists only these types of time definitions:

- Time Span - a period of time, such as three months
- Retrieval Date - a type of time definition that's based on a database item

Selecting a value for the Reference Date field is optional.

Note: If you don't select a reference date, the application uses the effective as-of date that's used by the rate engine to calculate the rate.

Single or Multiple Rate Contributors

If the rate definition is based on multiple values, you may need to create multiple rate contributors, as explained in this table.

Rate	Number of Rate Contributors
A single earning or deduction, such as salary	One
A combination of earnings, such as the sum of salary and car allowance payments	Multiple, if salary and car allowance are stored as separate rate definitions

Rate	Number of Rate Contributors

Note: All balances and element entries that contribute to a rate must use the same currency.

Example: Using multiple rate contributors, an hourly holiday pay rate could be based on adding together these values, which are all paid at the end of the previous year.

- Salary
- Incentive bonus
- Seniority bonus
- Other changeable components of remuneration

Related Topics

- Configure Elements Used by Rate Definitions
- Create Rate Definitions for Leave
- Create a Rate Definition for Basic Salary
- Create Rate Definitions for Overall Salary

Set Absence Payment Rates

In situations where you want the payment to be different than regular salary, you can select a different rate for the salary reduction amount than the payment amount.

In this example, you want to calculate an hourly employee's absence rate when that rate is different from their base rate. The employee has an hourly wage of $20, and you want to pay them an absence rate of 75% of the base ($15).

Set an Absence Payment Rate of 75 Percent

In this example, you want to pay sick pay to your salaried nonexempt employees at 75% of the normal rate.

1. Define an Element rate definition, and mark this rate definition as a base rate.
    a. Start the Rate Definitions task.
    b. Click **Create**.
    c. Select the **Element** category.
    d. Enter an effective date, such as 2010-01-01.
    e. Select your US legislative data group (LDG).
    f. Select **Amount** as the storage type.
    g. For the **Element Name**, select an appropriate salary element.
    Eligible elements are:
        - Standard Earnings primary classification
        - Have Regular secondary classification
        - Attached to a salary basis

h. Click **OK**.
i. Enter the following basic info.

Field name	What you enter
Name	Name of the rate definition
Short Name	Short name of the rate definition
Base Rate	Select the box
Periodicity	Annually
Periodicity Conversion Formula	Standard Rate Annualized
Currency	US Dollar

j. Click **Submit**.

The task automatically creates the rate contributor, including a default periodicity.

k. Ensure this periodicity matches the rate definition's periodicity (for this example, annually).

2. Define a Derived rate definition.

This rate definition will have a Base Rate contributor type, which uses the Element rate definition you defined in the previous step.

a. Start the Rate Definitions task.
b. Click **Create**.
c. Select the **Derived Rate** category.
d. Enter an effective date, such as 2010-01-01.
e. Select your US LDG.
f. Click **OK**.
g. Enter the basic info.

Field	Value
Name	Name of the rate definition
Short Name	Short name of the rate definition
Periodicity	Annually

Field	Value
Periodicity Conversion Formula	Standard Rate Annualized
Currency	US Dollar

h. In **Rate Contributors**, click **Create**.
i. Select the **Base Rate** contributor type.
j. Click **OK**.
k. Enter the following.

Field	Value
Add or Subtract	Add
Employment Level	Payroll Assignment
Periodicity	Annually
Factor Rule	Value
Factor Value	0.75

l. Click **Save and Continue**.
m. Click **Submit**.

For further info, see Overview of Absence Rate Definitions for the US in the Help Center.

3. During absence element definition:

   a. For **How do you want to reduce earnings for employees not requiring a time card**, choose **Select rate to determine absence deduction amount**.
   b. For the **Rate to Determine Absence Deduction Amount**, leave this field blank. By leaving this field blank, the payroll calculation automatically reduces the salary by the regular pay rate.
   c. For **Which rate should the absence payment calculation use**, select the derived sick pay rate you configured previously (75% rate).

   For further info, see Define Absence Elements for the US in the Help Center.

Related Topics

- Define Absence Elements for the US
- Overview of Absence Management for the US
- Overview of Absence Rate Definitions for the US

Create a Rate Definition for Basic Salary

In this example, you create a primary rate for a basic salary. After you run the rate engine, the Element Entries - Person Details page displays the values for eligible employees.

Before you begin, create the salary element at the assignment level. This element contains the salary information to be retrieved by the rate definition. You can create it using the flat amount or factor calculation rule.

1. On the Home page, click the **Rate Definitions** quick action under the **My Clients Groups** tab.
2. Click **Create**.
3. Enter these values.

Field	Value
Category	Element
Effective Start Date	Enter the current date.
Legislative Data Group	Enter your legislative data group.
Storage Type	Amount
Element Name	Regular Salary

4. Click **OK**.
5. In the Returned Rate Details section, complete the fields, as shown in this table.

Field	Value
Periodicity	Annually
Periodicity Conversion Formula	Standard Rate Annualized
Currency	LDG Currency

6. Click **Submit**.

Related Topics

- Overview of Rate Definitions
- Options to Configure Rate Definitions
- Configure Elements Used by Rate Definitions
- Generate HCM Rates

Configure Rate Definitions for Overall Salary

In this example, you want to configure a rate definition for overall salary that includes multiple rate contributors.

This includes these choices.

Decisions to consider	In this example
What components of pay should be included in an employee's overall salary?	• Regular Salary • Car Allowance
Should I include all pay for car allowance in the overall salary?	No. Only include 50% of the amount paid for car allowance.

To accomplish this:

1. Configure the overall salary rate definition.
2. Add the regular salary rate contributor.
3. Add the car allowance rate contributor.

Note: The overall salary rate definition is a derived rate. To select the **Overall Salary** box:

1. Select a salary element in **Element Name**.
2. Add the regular salary rate and car allowance rate contributors to the rate definition.

   The rate contributors you add should be elements that you select from the **Rate Name** field on the Create Rate Contributor page.

Configure the Overall Salary Rate Definition

1. Start the **Rate Definitions** task.
2. Click **Create**.
3. Complete the following.

Field	Value
Category	Derived Rate
Effective Start Date	Enter the current date.

Field	Value
Legislative Data Group	Select your legislative data group.

4. Click **OK**.
5. Complete the following.

Field name	What you enter
Name	Overall Salary
Short Name	OVERALL_SAL
Element Name	Salary

6. In **Returned Rate Details**, complete the following.

Field name	What you enter
Periodicity	Weekly
Periodicity Conversion Formula	ANNUALIZED RATE CONVERSION
Currency	US Dollar

Add the Regular Salary Rate Contributor

1. In the **Calculation** section, click **Create**.
2. Select the **Base Rate** contributor type, and click **OK**.
3. Complete the following.

Field name	What you enter
Add or Subtract	Add
Employment Level	Payroll Assignment
Periodicity	Weekly

4. Click **Save and Continue**.

Add the Car Allowance Rate Contributor

1. In the **Calculation** section, click **Create**.
2. Select the **Rate Definition** contributor type, and click **OK**.
3. Complete the following.

Field name	What you enter
Add or Subtract	Add
Rate Name	Car Allowance
Periodicity	Weekly
Factor Rule	Value
Factor Value	0.5

4. Click **Save and Continue**.
5. Click **Submit**.

Related Topics

- Generate HCM Rates
- Options to Configure Rate Definitions
- Rate Contributors for Derived Rates
- Rate Definition Overview

Generate HCM Rates

Submit the Generate HCM Rates process to calculate and store most types of rate definitions.

You can use the stored rate values for reporting payroll calculations. Run this batch process frequently to ensure the stored rate values are accurate. After you run this process, you can report on the rates using extracts. The user entity includes the database items that you can use in reports.

Use this flow to calculate and store most types of rate definitions in these scenarios.

- Rates that are associated with an element. For example, a salary rate definition is associated with a salary element. The process calculates a salary rate value for all workers with a salary element entry.
- Rates values for factor based element rates. Use the Generate HCM Rates process to calculate and store rate values for factor based element rates. You can retrieve this value in the payroll run.

- Rates that are associated with a value definition. Certain types of elements, such as time elements, use payroll calculation information rules and definitions. For example, a value definition is generated for an overtime element and this is associated with an overtime rate definition. The process calculates an overtime rate value for all workers with an overtime element entry.
- Rates that are based on a value-by-criteria defined for an assignment level criteria, such as a worker's grade or location.
- Rates that are based on a formula. However, such rates are calculated in a payroll run.
- Rates that are derived. For example, a rate that's derived based on the sum of car and housing allowance rates. In this case, the Generate HCM Rates process calculates the car allowance rate, the housing allowance rate, and the derived rate.

The stored rate values can be used for reporting or retrieving for payroll calculation purposes.

The application provides database items to support the rate batch process. These array database items return all rates associated with a payroll relationship record as of a specific date.

Note: The REPORTING_RATE_VALUES and REPORTING_RATE_PERIODICITIES database items return values based on the return rate details defined on the rate definition. The other periodicity database items, such as REPORTING_RATE_QUARTERLY, return a rate that's converted to the specified periodicity.

The Generate HCM Rates process supports the database items listed in this table.

Database Items	Description
REPORTING_RATE_NAMES	Name of the rate
REPORTING_RATE_VALUES	Value of the rate
REPORTING_RATE_PERIODICITIES	Periodicity of the rate
REPORTING_RATE_FTE_FLAGS	Full-time status of the rate
REPORTING_RATE_TERM_NUMBERS	Term number associated to the rate values
REPORTING_RATE_ASG_NUMBERS	Assignment number associated to the rate values
REPORTING_RATE_WEEKLY	Weekly rate value
REPORTING_RATE_MONTHLY	Monthly rate value
REPORTING_RATE_QUARTERLY	Quarterly rate value.
REPORTING_RATE_YEARLY	Annual rate value
REPORTING_RATE_PT_WEEKLY	Part-time weekly rate value

Database Items	Description
REPORTING_RATE_PT_MONTHLY	Part-time monthly rate value
REPORTING_RATE_PT_QUARTERLY	Part-time quarterly rate value
REPORTING_RATE_PT_YEARLY	Part-time annual rate value
REPORTING_RATE_FT_WEEKLY	Full-time weekly rate value
REPORTING_RATE_FT_MONTHLY	Full-time monthly rate value
REPORTING_RATE_FT_QUARTERLY	Full-time quarterly rate value
REPORTING_RATE_FT_YEARLY	Full-time annual rate value
PER_ASG_ESTABLISHMENT_ID	Establishment
PER_ASG_UNION_ID	Worker Union ID
PER_ASG_UNION_NAME	Worker Union Name
PER_ASG_JOB_MANAGER_LEVEL	Job Manager Level
PER_ASG_JOB_MANAGER_LEVEL_NAME	Job Manager Level Name
CMP_ASSIGNMENT_SALARY_BASIS_NAME	Salary Basis
PER_ASG_COLLECTIVE_AGREEMENT_ID	Collective Agreement
PER_ASG_BARGAINING_UNIT_CODE_NAME	Bargaining Unit Name
PER_ASG_BARGAINING_UNIT_CODE	Bargaining Unit Code
PER_ASG_ACTION_CODE	Action Code
PER_ASG_ACTION_REASON_CODE	Action Reason

Run the process if these conditions apply.

- Changes to the data referenced by the rate, which may include element entries, grade rates, and values defined by criteria. This process only reports the rate values. It doesn't update, delete, create, or have any impact on the underlying objects.

- Updates to rate definitions, such as when a new rate contributor is added or removed, or the rate is made inactive.
- Changes to employee records that impact their salary rates, such as changes to job or grade.

Note: You should run the process before any operation that depends on the values that are stored in the table. For example, if you have a rate based on seniority, values could change simply by the passage of time.

Let's look at the steps to run the process.

1. On the Home page, click the **Submit a Flow** quick action under the **My Clients** group.
2. Select your legislative data group.
3. Select the **Generate HCM Rates** flow pattern.
4. Enter these values for the **Process Mode** field:

Note: Review how your company uses the information generated by the Generate HCM Rates process and ensure that you're selecting the appropriate process mode parameter. The mode controls the frequency of rate calculations performed for each employee. The higher the frequency and number of rate calculations, the more accurate the rates, but this will be reflected in the overall performance of the Generate HCM Rates process. For more information, see "Control the Start and End Date of the Rate Calculation Period".

Mode	Description	Accuracy
Fast	Uses the start and end date specified to calculate the rate value. If the rate value is the same for both dates, it determines that the rate value is the same over the entire period. If the start and end values are different, this method then determines a value in the middle, and compares it with the start and finish values to see where the change occurred. This process repeats until the date of the change is found. This is known as a binary chop algorithm.	This is the quickest but least accurate method to calculate rate values. It misses any changes if a rate value goes up and then back down to the same value that's calculated at the start and end dates. Select this option when you need detailed rate details for reporting purposes, but you don't require 100% accuracy. As the name suggests, this option will deliver the best performance for the Generate HCM Rates process.
Full	Performs separate rate calculations for every day within the rate calculation period.	Slowest but most accurate method. This mode ensures that rates are 100% accurate, but the volume of calculations per employee is very high. It's recommended you only select this option if you are using the rates stored by the Generate HCM Rates process for payroll calculation purposes.
Periodic	This method works the same as Fast, except that you can specify the number of days the process calculates rates between the start and end dates.	The accuracy of this method is half-way between the Fast and Full modes. Select this option when you need more precise rate details for reporting purposes.

Mode	Description	Accuracy
		The number of days you enter will control the accuracy and performance of the Generate HCM Rates process. For example, when you select a 7-day period, the process will calculate the rate for an employee at the start and end of each 7-day period. If these rates are the same, the process will assume that the employee rate did not change. and will move on to the next 7-day period. If the rates are different, the process will calculate daily rates within the 7-day period to identify the date on which the rate changed. When you select a 14-day period, the process will work in the same manner, but the rates will be calculated at the start and end of each 14-day period. In this example, the 7-day option is more accurate, but the Generate HCM Rates process will take longer because it's performing more calculations than the 14-day option. So, the lower the number you enter in the **Number of Days** parameter, the more accurate is the rate calculation of the Generate HCM Rates process.

5. Click **Next**.
6. Select a flow submission.

> **Note:** If you select **Using a schedule**, you must also select a frequency, such as once, weekly or daily.

> **Note:** Use the **Payroll Relationship Group** parameter to reduce the number of employees included in the Generate HCM rates process. The Payroll Relationship Group parameter supports these relationship groups:
>
> a. Static and dynamic payroll relationship groups.
> b. Groups that include assignment or payroll relationship records.

7. Click **Next** and then **Submit**.

Control the Start and End Date of the Rate Calculation Period

It's essential that you understand the HCM rates configuration for your organization in detail, so that you know what type of updates can result in a rate change, and who makes those changes. You can then define the start and end date of rate calculations to meet the business requirements of your company. The shorter the time span, the fewer rate calculations will be performed, and this is reflected in the performance of the Generate HCM Rates process.

Use the **Generate HCM Rates Start Date** parameter to set an earliest start date for rate calculations. For example, set this parameter to 2020-01-01 (YYYY-MM-DD), and the Generate HCM Rates process will only recalculate rates from this date.

Note: This parameter applies only when you're using the Full or Periodic modes.

The rates process automatically calculates the rate changes that occur up to 2 years in the future. If this rate information is not required, use the "Set the default end date limit for the rate" batch process to stop the calculation of future dated rates. This parameter captures the number of years in advance the rates are calculated. Set to 0 to ensure that the rates are only calculated up to the process end date you entered while submitting the Generate HCM Rates process.

Related Topics

- Overview of Rate Definitions
- Options to Configure Rate Definitions
- Rate Contributors for Derived Rates
- Create Rate Definitions for Overall Salary

Rates Used to Calculate Absences in Payroll

You can specify a rate for use in calculating an absence in an absence plan or an absence element.

When processing absence entries in a payroll run, the formula associated with the absence element uses the Rate Converter global formula to convert rates. The formula checks for a rate in this sequence.

1. Absence plan
2. Absence element
3. Compensation salary element

Absence Plan

In Oracle Fusion Absence Management, you can select a rate rule on the **Entries and Balances** tab of the **Create Absence Plan** page. The rate rule calculates the units passed to payroll when you record an absence. You can select rate rules for the absence payment, final disbursement, discretionary disbursement, and liability balance calculation.

For third-party absence providers, the application transfers the rate information and override rates in the HCM Data Loader file attached to the Load Absence Batch process.

Absence Element

If you don't specify rates in the absence plan, you can specify a rate when you create the absence elements. The type of absence information determines the rates you can select. For example, for plans where you transfer accrual balances and absences, you can select different rates for these calculations.

- Absence payments
- Discretionary disbursement
- Final disbursement
- Liability balance rate

As best practice, specify a rate in either the plan or the element. If you specify in both, ensure the rate for the element is same as the rate you selected in the corresponding plan.

Compensation Salary Element

If the formula doesn't find a rate specified in the plan or the element, it uses the compensation salary element.

When you associate a payroll element to a salary basis, you specify an input value that holds the base pay on a worker's element entry. The monetary amount or rate recorded in the element entry is the salary value in the worker's salary information held on the assignment. If you specify a rate, the formula uses this rate if it doesn't find one defined in the absence plan or absence element.

Related Topics

- Define Payroll Elements for Processing Absences for the US

Configure Employee Salary Rates for Time and Labor Processing for the US

For Oracle Fusion Time and Labor to derive the correct rate for regular, overtime, and premium hours, it must know the person's salary rate.

To do this, you must configure a rate definition that captures it and delivers it during payroll processing.

This involves:

1. Configuring an Element rate definition, and marking it as the base rate.
2. Configuring a Derived rate definition with the Base Rate contributor type.
3. Creating a Time Entry element, and attaching your Derived rate definition to it.

Configure the Element Rate Definition

Your derived rate requires a rate definition to serve as its base. To configure that base rate definition:

1. Start the Rate Definitions task.
    a. From **My Client Groups**, click **Show More**.
    b. Under **Payroll**, click **Rate Definitions**.
2. Click **Create**.
3. Select the **Element** category.
4. Enter an effective date.
5. Select your US legislative data group (LDG).
6. Select the **Amount** storage type.
7. Select an appropriate salary element.
   This element must meet the following criteria.
    - Standard Earnings primary classification
    - Regular secondary classification
    - Attached to a salary basis
8. Click **OK**.
9. Specify the following.

For this field	Do this
Name	Provide a meaningful name for your rate definition
Short Name	Provide a short name for the rate definition
Base Rate	Select this box
Periodicity	Select **Annually**
Periodicity Conversion Formula	Select **Standard Rate Annualized**
Currency	Select **US Dollar**

10. Define any other values you require for your rate definition, and click **Submit**.
    The task creates the rate contributor, including a default periodicity.
11. Ensure the rate contributor's periodicity matches the rate definition's periodicity, and make any required changes.

Configure a Derived Rate Definition

The next step is to create a rate definition that:

- Has the Base Rate contributor type
- Utilizes the Element rate definition you created previously

To create this rate definition:

1. Start the Rate Definitions task.
    a. From **My Client Groups**, click **Show More**.
    b. Under **Payroll**, click **Rate Definitions**.
2. Click **Create**.
3. Select the **Derived Rate** category.
4. Enter an effective date.
5. Select your US LDG.
6. Click **OK**.
7. Specify the following.

For this field	Do this
Name	Provide a meaningful name for your rate definition
Short Name	Provide a short name for the rate definition

For this field	Do this
Periodicity	Select **Annually**
Periodicity Conversion Formula	Select **Standard Rate Annualized**
Currency	Select **US Dollar**

8. Define a rate contributor.
    a. In **Rate Contributors**, click **Create**.
    b. Select the **Base Rate** contributor type, and click **OK**.
    c. Specify the following.

For this field	Select this
Add or Subtract	Add
Employment Level	Payroll Assignment
Periodicity	Annually

    d. Click **Save and Continue**.
9. Click **Submit**.

Create a Time Card Element

You now need a time card element that utilizes the output from your Derived rate definition.

To satisfy this, create three Time Card elements.

- Regular
- Overtime
- Overtime Premium

For example, to define the Overtime time card element:

1. Start the Elements task.
    a. From **My Client Groups**, click **Show More**.
    b. Under **Payroll**, click **Elements**.
2. Define an element with these values.
    - Standard Earnings primary classification

- Overtime secondary classification
- Time Card category
- Default rate definition
- Your Derived rate definition as the rate name

3. Create element eligibility.

Related Topics

- Time Cards for the US
- Define Elements for Time Card Entries for the US
- Options for Time and Labor Managers to Manage Time Cards

Examples of Rate Definitions

Calculate Time Based on a Default Amount Using Values Defined by Criteria

Let's look at an example that shows how to calculate time based on a default amount.

This example doesn't cover the payroll calculation. But it does support the configuration to calculate a unit of time-based on a fixed amount.

- Create Time Element: Use the Elements task to create a shift element payable at a rate of 35 per shift worked:
  - In the **Primary Classification** field, select **Standard Earnings**.
  - In the **Category** field, select a time card.
  - Click to select other units as the calculation unit.
- Add Default Amount: You can navigate to the Value Definitions page:
  - Click to select the rate amount value definition for your shift element. For example, Shift Rate Amount.
  - Click the Correct mode, to update the value from 0 to 35.

Calculate Time Based on a User-Defined Value

Let's look at an example that shows how to calculate time using a business-specific attribute such as company code.

This example doesn't cover the payroll calculation. But it does support the configuration to calculate a rate based on a user-defined value for a time element in the payroll run.

Create Element

You can choose to calculate relief allowance payments based on a worker's company code. Use the Elements task to create an hours rate element for relief allowance.

1. In the **Primary Classification** field, select **Standard Earnings.**
2. In the **Category** field, select **Time.**

Create Value Definition

Use the Calculation Value Definitions task to create a company code value definition. You can capture the company code on the worker's time card and pass it to payroll for calculation purposes.

1. In the **Value Definition Group** field, select **Time**.
2. In the **Calculation Type** field, select **Identifier**.
3. Select Enterable Calculation Values on the calculation card and complete these steps:
    a. Select **Identifier** as the value type.
    b. Enter a display value, such as Company.

    Note: Ensure that you select the total amount.
4. Create Usage Rules by completing these steps:
    a. In the Calculation Card field, select **Time Cards**.
    b. Select your relief allowance calculation component.
    c. Select a value set, if appropriate.

Create Calculation Step

Use the Payroll Calculation Information task to create a company code calculation step.

1. In the Component Group field, navigate to the Calculation Overview page, and search for time.
2. Navigate through all the calculation steps tasks.
3. Create a calculation step and enter a name, such as Company Code.

Create Calculation Factor on Element

Use the Elements task to create a calculation factor.

1. Search for your relief allowance element.
2. Navigate to the Calculation Factor page.
3. In the Calculation Step field, select the company code calculation step.
4. In the Value Definition field, select the company code value definition.

Edit Formula on Element

Use the Elements task to edit the element formula.

1. Edit the appropriate relief allowance element formula to use the company code value using the CALL_CALC_VALUES formula.

Note: Remember to run the Generate Data Dictionary Time Attributes process in the Oracle Time and Labor application after you've created the value definitions. This process creates the attributes necessary to capture the information, such as company code, on a time card and pass these details to Payroll.

Related Topics

- Generate Data Dictionary Time Attributes
- Generate Time Attributes and Time Card Fields for Your Elements

FAQ for Rate Definitions

How does periodicity conversion work when there are multiple contributors with different periodicities?

Sometimes, you may need to add a base salary, which is an annual figure, to a 13th month salary. This 13th month salary is a monthly figure that's calculated from the annual base salary.

The base salary in this example is held as an annual amount on an element entry as 24,000. The 13th month salary is 2,000 (24000 / 12). If you add each of these contributors together, the sum of the contributors is 26,000 (24,000 + 2,000).

At this point you've added an annual figure to a monthly figure, but you haven't indicated what the periodicity of the total is. On the Create Rate Definitions page, if you select Annual in the Contributor Total Periodicity field, the sum of the contributors is 26,000. If you select Monthly, the application converts the contributors to 312,000 (26,000 * 12), which is now the annual figure.

Note: When the formula is called to calculate the rate, there's an option to override the return periodicity of the rate.

Related Topics

- Options to Configure Rate Definitions
- Rate Contributors for Derived Rates

How do I use the base rate feature to calculate a rate based on multiple salary elements?

Create a rate definition for each your salary elements. And ensure that you select the Base Rate check box in the Basic Details section of the Create Rate Definition page.

For example, if you have three salary elements, you need to create three rate definitions and associate each rate definition to one of your salary elements. All of your salary rate definitions must have the Base Rate check box selected. Create an absence rate definition that has a category of Derived Rate. In the Rate Contributors section, click Create. On the Create Rate Contributor page, select Base Rate from the Contributor Type drop-down list. This rate definition calculates a rate based on all of your salary rates. And all rate definitions are identified as a base rate.

You can use the base rate to identify each of your company's salary rate definitions. You can then use the derived rate to calculate a salary rate derived from all of the salary elements. You can use the base rate and the derived rate in scenarios where your company has multiple salary elements and needs to calculate an hourly absence rate based on the salary rate of an employee.

How do I compare rate definitions to ensure the highest rate is paid?

Create a rate definition for your salary rate. Create a rate definition for your special pay rate, and then navigate to the Returned Rate Details section.

From the Minimum Rate Rule list, select Rate Definition. Then, from the Minimum Value list, select the salary rate that you created.

You can use the **Minimum Rate Rule** option in the Returned Rate Details section in scenarios where your company needs to pay an employee either the salary rate or the special pay rate, whichever is greater.

Values Defined by Criteria

Overview of Values Defined by Criteria

Each value defined by criteria requires you to specify one or more evaluation conditions that determine a particular value or rate.

In cases where you specify many conditions, each condition is defined as a separate level and placed in priority order to produce a tree structure.

You control the criteria that you enter and the resulting tree structure. In each branch of the tree, you can have multiple evaluation conditions. If the conditions that you've set don't meet your requirements, the payroll process uses the value established for the default criteria that you set up. Each criterion and value, as well as the parent criteria definition, is stored as a calculation value definition. You can define a rate definition to retrieve a rate based on values defined by criteria.

You can also search for criteria and value records, on a value defined by criteria, to quickly select a record you want to view or update. For more information, see *Search for Values Defined by Criteria*.

Criteria and Evaluation Conditions

Within the tree structure, you create the criteria rules. For example, you can define criteria rules based on the location of an employee. You can select or enter the specific location for each criterion, such as London, from a value set or on the criteria page.

You can also define a default criterion if an employee doesn't meet any other condition. Defining a default also includes a situation in which the application hasn't captured criteria information on the employee record, such as location. If you know the criteria definitions you set up cover all the conditions for all employees, then you don't need a default criterion.

Each criterion is stored as a calculation value definition. You must enter a name for the calculation value definition that's unique within a legislative data group. With a unique name, you can identify the record while you create the values defined by criteria hierarchy through HCM Data Loader.

You must also select a value definition group for each criterion. The group enables you to manage the value definitions within your legislative data group; it doesn't impact the behavior of the criterion. Use the Retrieval Date to determine whether the criterion uses the date earned or effective date to retrieve information. The default value is the effective date.

Once you have created a criterion, you can enter these condition details:

- **Sequence**: Define the priority of each criterion using the sequence. The application uses the sequence order to produce a tree structure, which affects processing and the value that's returned. For example, the first criteria definition has a condition of age greater than 0 years, and the next criteria definition in the sequence has the condition of age greater than 55 years. In this scenario, all employees would meet the first condition and there

would be no results for the second condition. To fix this situation, you would reverse the order of the criteria definitions where the condition greater than 55 years is first in the sequence.

- **Database Item Name**: Select a database item to identify the type of criteria. For example, if your criterion is the location of an employee you could select PER_ASG_LOCATION_NAME.

  > **Note:** If you're defining values by criteria for Salary Rates, select one of the database items that are supported by HR flows such as new hire and promotion.

- **Display Name**: You have the option to enter a name for the criteria. This name doesn't need to be unique and is displayed in the value by criteria hierarchy record. If you don't enter a display name, the database item description or name gets displayed.
- **Operand**: You use operands when you're creating criteria. You can specify whether the value defined by the database item should be equal to, greater than, less than, greater than or equal to, or less than or equal to the literal value. To capture multiple values for the same criteria, use the In operand. For example, if you want to give employees that work in City 1 and City 2 the same bonus, you can create a single evaluation condition for both cities using the In operand.
- **Value Sets**: Specify a value set to provide a dynamic list of values from which you can select an entry. This option is available for input values that provide text only.
- **Literal Value**: If you specify a value set, you can select an entry from a list of values you have chosen. If you leave the Value Set field blank, you can enter any information that's appropriate for the value definition that you're creating.

Values

Create one or more value records for each criterion. Here you enter the calculation types and rates. For example, you can enter the bonus values for each location.

Each value record gets stored as a calculation value definition. You must enter a name for the calculation value definition that's unique within a legislative data group. With a unique name, you can identify the record while you create the values defined by criteria hierarchy through HCM Data Loader.

You must enter a value identifier when you define multiple value records for a criterion. This identifier enables you to define which value record should be calculated. For example, your company calculates car allowance and housing allowance rates for an employee based on their job. The job criteria details and the allowance values are captured in a Values Defined by Criteria. You can indicate which of the values captured on the Values Defined by Criteria should be calculated when processing an element in the payroll run.

If you don't enter a value identifier, the name of the calculation value definition gets displayed for the value on the hierarchy. You must select a value definition group for each value record. The group enables you to manage the value definitions within your legislative data group; it doesn't impact the behavior of the value. Use the Retrieval Date to determine whether the date earned or effective date retrieves the information of the value. The default is the effective date.

If you select a Default Calculation Type while creating the values defined by criteria, it gets displayed on each value record. Alternatively, you can enter a calculation type. You have the option to select a different calculation type for each value within the values defined by criteria depending on your business requirements.

The supported calculation types include:

- Flat Amount Times Multiplier
- Flat Calculation
- Flat Rate

- Grade Rate
- Incremental Rate
- Number
- Rate Definition
- Standard Formula 1
- Standard Formula 2

Database Items for Values Defined by Criteria

Each condition refers to a database item to identify where the value is used. It also determines the data type of the value, such as text, number, or date. Define conditions using predefined database items or the dynamically created database items when the application creates data, such as balances and elements.

You can refer to any static or dynamic database items that support these contexts:

- HR_ASSIGNMENT_ID
- HR_TERM_ID
- PAYROLL_ASSIGNMENT_ID
- PAYROLL_TERM_ID
- PAYROLL_RELATIONSHIP_ID
- PERSON_ID
- CALC_BREAKDOWN_ID
- PAYROLL_ID
- EFFECTIVE_DATE
- DATE_EARNED
- LEGISLATIVE_DATA_GROUP_ID

Database Items for Salary Rates

Perform rate calculations before information such as job and grade is submitted for the employee. While using salary rates, you can only define values by criteria that use the database items supported by HR flows such as new hire and promotion. If you refer to other types of database items, the process either returns zero or uses the default criteria.

Here's the list of database items to define values by criteria while using salary rates:

Database Item Name	Display Name
PER_ASG_ASSIGNMENT_NUMBER	Assignment Number
PER_ASG_ASSIGNMENT_ID	Assignment ID
PER_ASG_EFFECTIVE_START_DATE	Assignment Start Date
PER_PERSON_ENTERPRISE_HIRE_DATE	Hire Date
PER_ASG_JOB_ID	Job

Database Item Name	Display Name
PER_ASG_JOB_NAME	
PER_ASG_JOB_CODE	Job Code
PER_JOB_FAMILY_ID PER_JOB_FAMILY_NAME	Job Family
PER_ASG_BUSINESS_UNIT_ID PER_ASG_BUSINESS_UNIT_NAME	Business Unit
PER_ASG_LOCATION_ID PER_ASG_LOCATION_NAME	Location
PER_ASG_DEPARTMENT_ID PER_ASG_ORG_DEPARTMENT_NAME	Department
PER_ASG_LEGAL_ENTITY_ID	Legal Entity
PER_ASG_ORG_LEGAL_EMPLOYER_NAME	Legal Employer
PER_ASG_NORMAL_HOURS	Normal Hours
PER_ASG_EMPLOYEE_CATEGORY PER_ASG_EMPLOYMENT_CATEGORY	Assignment Category
PER_ASG_ORG_LEGAL_EMPLOYER_NAME	Legal Employer
PER_ASG_DF	Assignment Flexfield
PER_GRADES_DF	Grade Flexfield
PER_LOCATIONS_DF	Location Flexfield
PER_ASG_GRADE_CODE	Grade Code
PER_ASG_GRADE_ID PER_ASG_GRADE_NAME	Grade

Database Item Name	Display Name
PER_ASG_GRADE_LADDER_PGM_ID	Grade Ladder
PER_ASG_GRADE_STEP_ID PER_GRADE_STEP_NAME	Grade Step
PER_ASG_ESTABLISHMENT_ID	Establishment
PER_ASG_UNION_ID	Worker Union ID
PER_ASG_UNION_NAME	Worker Union Name
PER_ASG_JOB_MANAGER_LEVEL	Job Manager Level
PER_ASG_JOB_MANAGER_LEVEL_NAME	Job Manager Level Name
CMP_ASSIGNMENT_SALARY_BASIS_NAME	Salary Basis
PER_ASG_COLLECTIVE_AGREEMENT_ID	Collective Agreement
PER_ASG_BARGAINING_UNIT_CODE_NAME	Bargaining Unit Name
PER_ASG_BARGAINING_UNIT_CODE	Bargaining Unit Code
PER_ASG_ACTION_CODE	Action Code
PER_ASG_ACTION_REASON_CODE	Action Reason

Related Topics

- Options to Configure Rate Definitions
- Calculation Types in Calculation Value Definitions
- Generate HCM Rates
- Pay Bonuses at Different Rates
- Limit Pension Contributions

Examples of Manage Values Defined by Criteria

Use the Values Defined by Criteria task to calculate or retrieve values based on one or more conditions.

You use the values defined by this criteria in:

- Rate definitions
- Any formula used for validation

If you use a third-party payroll product and have a requirement to extract the salary rate details, use the Generate HCM Rates process to calculate rate values. This process:

1. Calculates derived rate values, such as those which sum multiple salary components
2. Processes primary rates, as you may define rate definitions that calculate values that are different from those stored on an element entry

Note: The values calculated by the Generate HCM Rates process are stored on a rates table. You can extract this info using the HCM Extract tool to send to your third-party payroll providers.

The following examples show how you can calculate values defined by criteria for these elements of payroll.

Annual Salaries

You can calculate annual salaries for employees based on their position. For example:

- If the employee is a Consultant, pay $45,000.
- If the employee is a Senior Consultant, pay $55,000.
- If the employee is a Principal Consultant, pay $65,000.

Bonus Payments

You can chose to calculate bonus payments for employees that are weighted by their location. A more complicated scenario would be to pay bonuses based on an employee's department, years of service, and annual salary.

If you want to	Set up criteria like this
Weight a bonus payment by location	• For employees working in New York, pay a 15% bonus. • For employees working in San Jose, pay a 13% bonus. • For employees working in Chicago, pay a 9% bonus. • For all other employees, pay a 5% bonus.
To pay a bonus based on department, years of service, and annual salary	• If an employee working in sales has less than or equal to 5 years of service and an annual salary over $45,000, pay a $2,000 bonus. • If an employee working in sales has less than or equal to 10 years of service and an annual salary over $45,000, pay a $5,000 bonus. • If an employee working in sales has greater than 10 years of service and an annual salary over $45,000, pay a $9,000 bonus. • For all other employees working in sales, pay a 7% bonus based on their annual salary.

Time Rates

You can calculate a time rate based a set of conditions held in values defined by criteria.

Note: This doesn't cover the payroll calculation. However, it does support configuration to calculate a rate based on a set of conditions for a time element in the payroll run.

There's a couple ways you can do this.

If you want to	Here's how you do it
Create values defined by criteria	You can choose to calculate shift payments that are weighted by the worker's location. Use the Values Defined by Criteria task to define the shift conditions. You could set up criteria like this. • Pay $10 to employees working in New York. • Pay $15 to all other employees.
Create a rate definition	Use the Rate Definitions task to create a rate definition and associate it to the values defined by criteria, 1. Select **Value by criteria** in **Category**. 2. Select **Shift value by criteria** in **Value by Criteria Name**.
Create a time element	Use the Elements task to create a shift element. 1. Select **Standard earnings** as the primary classification. 2. Select **Time card** as the category. 3. Identify the element as having a default rate definition. 4. Select the shift rate definition in **Rate Name**. **Note:** Use the Calculation Factors task from the Element Overview page to view the shift calculation steps and value definitions created by the element template.

Related Topics

- Generate HCM Rates
- Overview of Rate Definitions
- Overview of Values Defined by Criteria

Examples of Values Defined By Criteria

Calculate Time Using Values Defined By Criteria

Let's look at an example that shows how to calculate a percentage-based time rate when the percentage is based on criteria, such as the worker's location.

This example doesn't cover the payroll calculation, but it supports the configuration to calculate time rates based on values defined by criteria.

You can choose to calculate allowance payments that are based on a percentage of salary. The percentage rate is based on a condition such as a worker's location. Here's some criteria you could use:

- Create Values Defined by Criteria: You can calculate allowance payments that are based on a percentage of salary. The percentage rate is based on a condition such as a worker's location. Here's some criteria you could use:
    - For workers at location A, apply a percentage of 25% (0.25)
    - For workers at the location B, apply a percentage of 50% (0.50)
    - For workers at the location C, apply a percentage of 75% (0.75)
    - For workers at all other locations, apply a percentage of 30% (0.30)

Note: You must set the default calculation type as Number.

- Create Salary Rate Definition: Use the Rate Definitions task to create a salary rate definition to return a worker's salary rate:
    a. In the **Category** list, select **Element**.
    b. In the **Storage Type** list, select **Amount**.
    c. In the **Element Name** list, search for and select a value.
- Create Allowance Rate Definition: Use the Rate Definitions task to create an allowance definition that's calculated based on a percentage of the salary rate:
    a. In the **Category** list, select **Derived Rate**.
    b. In the **Factor Rule** field, select a value by criteria.
    c. Select the name of your percentage based values defined by criteria.
    d. Create a Rate Contributor:
        i. Select the name of your salary rate.
        ii. Select a contributor type of rate definition.
- Create Time Element: Use the Elements task to create an allowance element.
    a. In the **Primary Classification** list, select **Standard Earnings**.
    b. In the **Category** list, select **Time Card**.
    c. Select other hours as the calculation unit.
    d. For the question, Does this element have a default rate definition? Select **Yes**.
    e. In the rate name field, select the allowance rate definition.

Calculate Time Element Rate Using Values Defined by Criteria

Let's look at an example that shows how to calculate a time rate based on a set of conditions held in values defined by criteria.

This example doesn't cover the payroll calculation. But supports configuration to calculate a rate based on a set of conditions for a time element in the payroll run.

- Create Values Defined by Criteria: You can choose to calculate shift payments by the employee's location. Use the Values Defined by Criteria task to define the shift conditions. Here are few criteria that you can use:
  - For employees working in location A, pay is 10.
  - For employees working in location B, pay is 20.
  - For employees working in all other locations, pay is 0.
- Create Rate Definition: Use the Rate Definitions task to create a rate definition and associate it with the values defined by criteria.
  a. From the **Category** drop-down list, select **Value by Criteria**.
  b. From the **Criteria Name** drop-down list, select **Shift Value by Criteria**.
- Create Time Element: Use the Elements task to create a shift element:
  a. From the **Primary Classification** drop-down list, select **Standard Earnings**.
  b. From the **Category** drop-down list, select **Time Card**.
  c. For the question, Does this element have a default rate definition? Select **Yes**.
  d. From the **Rate Name** drop-down list, select **Shift Rate Definition**.

Now you can navigate to the Calculation Factors task on the Element Overview page and see the shift calculation steps and value definitions created by the element template.

Enable Overrides for Time Elements Using Values Defined by Criteria

Let's look at an example that shows how to calculate a rate for a worker based on an override condition. Use values defined by criteria to calculate rates based on a condition such as location.

In this example, let's calculate a rate for a worker who lives in New York City but works in Boston.

This example doesn't cover the payroll calculation. But it does support the configuration to calculate a rate based on a set of conditions using an override value for a time element in the payroll run.

- Create Value by Criteria: You can choose to calculate bonus rates based on an override condition such as an override location. Here's some criteria you could use:
  - For workers on location A, pay 300.
  - For workers on location B, pay 450.
  - For workers on location C, pay 575.
  - For workers on all other locations, pay 600.
- Create Rate Definition: Use the Rate Definitions task to create a rate definition and associate to the bonus values defined by criteria.
  a. In the category field, select a value by criteria.

b. In the value by the criteria name field, select the bonus values by criteria.

- Create Time Element: Use the Elements task to create a bonus element.
  a. Select standard earnings as the primary classification.
  b. In the category field, select time card.
  c. Select Yes to the question, does this element have a default rate definition?
  d. In the rate name field, select the bonus rate definition.
- Value Definition: Use the Calculation Value Definition task to create a location value definition. When a worker performs their role at a different location, the override location code can be captured on the worker's time card and passed to payroll for calculation purposes.
  a. Select time in the value definition group field.
  b. Select an identifier in the calculation type field.
  c. In the overriding rate identifier field, select the assignment location database items.

     Note: This should be the same database items as you used for the values defined by criteria condition.

  d. Create Usage Rules.
     i. In the calculation card field, select time cards.
     ii. Select your bonus calculation component.
     iii. Select the value set for location if appropriate.
  e. In the Calculation Values region:
     i. Enter values from 0 through 99999.9.
     ii. Enter a default location code value.

Calculate Standard Earnings Rate Using Values Defined by Criteria

Let's look at an example that shows how to calculate a standard earnings rate based on a set of conditions held in values defined by criteria.

This example doesn't cover the payroll calculation. But it does support the configuration to calculate a rate based on a set of conditions for a standard element in the payroll run.

- Create Values Defined by Criteria: You can choose to calculate bonus payments based on a condition such as a worker's grade. Here's some criteria you could use:
  - For workers on grade A, pay 5,000
  - For workers in grade B, pay 5,500
  - For workers in grade C, pay 6,250
  - For workers in all other grades, pay 7,650
- Create Rate Definition: Use the Rate Definitions task to create a bonus rate definition and associate this with the values defined by criteria:
  a. In the **Category** field, select value by criteria.

   b. In the **Value by the Criteria Name** field, select the bonus value by criteria.

- Create Element: Use the Elements task to create a flat amount bonus element.
   a. In the **Primary Classification** field, select **Standard Earnings**.
   b. In the **Category** field, select **Standard**.
- Create Value Definition: Use the Calculation Value Definitions task to create a bonus value definition. This is required to associate the rate definition with the bonus element.
   a. Click **Create** for a new value definition group and provide a name such as standard earnings.
   b. In the **Calculation Type** field, select **Rate Definition**.
   c. In the Calculation Values region:
      i. Enter values from 0 to 99999.9.
      ii. Select the bonus rate definition.
- Create Calculation Step: Use the Payroll Calculation Information task to create a bonus calculation step.
   a. Search for time cards in the component group field and navigate to the Calculation overview page.
   b. Navigate to all calculation steps tasks.
   c. Create a calculation step and provide a unique name such as a bonus.
- Create Calculation Factor on Element: Use the Elements task to create a calculation factor.
   a. Search and select the bonus element.
   b. Select the calculation factor page.
   c. In the calculation step field, select the bonus calculation step.
   d. In the value definition, select the bonus value definition field.
- Edit Formula on Bonus Element: Use the Elements task to edit the element formula.
   a. Edit the bonus element formula to calculate a bonus rate using the CALL_CALC_VALUES formula.

      Note: You can refer to the element status processing rules page to identify which formula to edit.

Related Topics

- Payroll Calculation Information
- Overview of Payroll Calculation Information Formulas

Calculate Location Rate Based on Hire Date

Let's look at an example to calculate a location allowance, based on the hire date and location of an employee.

In this example, an employee who's hired in California or Colorado before 01-JAN-19 is eligible to location allowance payments calculated at 15% of the salary. An employee hired in these states on or after 01-JAN-19 isn't eligible to receive the location allowance.

Create the Location Allowance Values by Criteria

1. On the Home page, click the **Values Defined by Criteria** quick action under the **My Client Groups** tab.
2. Click **Create**.

3. Complete these fields:

Field	Value
Name	Location Allowance Rate
Effective Start Date	Enter a valid date
Legislative Data Group	Select your legislative data group

4. Select the **Create new value definition group** option.
5. Enter **Location Allowance** in the **New Value Definition Group** field.
6. Enter **Flat Rate** in the **Default Calculation Type** field.
7. Click **OK**.

Create Criteria for Each Location Eligible for Payment

1. Select the row with the Housing Allowance Rate criteria definition.
2. Click **New**.
3. Select **Criteria** and then click **OK**.
4. For each criteria definition you create, complete these fields:

Field	Value
Calculation Value Definition Name	Location
Value Definition Group	Location Allowance
Retrieval Date	Enter a valid date.
Sequence	Select a sequence.
Database Item Name	Select a database item name.
Operand	=
Literal Value	California

5. Click **OK** each time you create a criteria definition.
6. To create a default group for each location criteria, repeat steps 1 through 3.

7. Complete these fields:

Field	Value
Calculation Value Definition Name	Location Allowance Default Rate
Value Definition Group	Location Allowance
Retrieval Date	Date Earned

8. Select **Default Criteria** and then click **OK**.

Create Hire Date Rule Criteria for Each Location

1. Select the row with the Location = California criteria definition.
2. Click **New**.
3. Select **Criteria** and then click **OK**.
4. For each criteria definition you create, complete these fields:

Field	Value
Calculation Value Definition Name	Hire Date Rule for California
Value Definition Group	Location Allowance
Retrieval Date	Enter a valid date.
Sequence	Select a sequence.
Database Item Name	Select a database item name.
Operand	<
Literal Value	01-JAN-2019

5. Click **OK** each time you create a criteria definition.
6. To create a default group for each location criteria, repeat steps 1 through 3.
7. Complete these fields:

Field	Value
Calculation Value Definition Name	Hire Date Rule for California Default Rate

Field	Value
Value Definition Group	Location Allowance
Retrieval Date	Date Earned

8. Select the **Default Criteria** check box and then click **OK**.

Create Value Definitions for the Hire Date Rule for Each Location

1. Select the row with the Hire Date Rule for California criteria definition.
2. Click **New**.
3. Select **Value** and then click **OK**.
4. Complete these fields:

Field	Value
Calculation Value Definition Name	Location Allowance for California
Value Definition Group	Location Allowance
Retrieval Date	Date Earned
Calculation Type	Flat Rate
Rate	0.15

5. Click **OK**.

Create Value Definitions for the Default Criteria Definitions

1. Under the job criteria definition, select the row with the Default Criteria definition.
2. Click **New**.
3. Select **Value** and then click **OK**.
4. Complete these fields:

Field	Value
Calculation Value Definition Name	Housing Allowance Default Rate
Value Definition Group	Housing Allowance

Field	Value
Retrieval Date	Date Earned
Calculation Type	Flat Rate
Rate	0.0

5. Click **OK**.

Create the Rate Definition for Location Allowance

1. On the Home page, click the **Rate Definitions** quick action under the **My Client Groups** tab.
2. In the Search Results section, click **Create**.
3. Complete these fields.

Field	Value
Category	Derived Rate
Effective Start Date	Select a date that's after the creation date of the objects that you're referencing
Legislative Data Group	Select your legislative data group

4. Click **OK**.
5. In the Basic Details section on the Create Rate Definition page, complete these fields:

Field	Value
Name	Enter the name for your rate definition. For example, Rate - Location Allowance.
Short Name	Enter a short name.

6. In the Returned Rate Details section, complete these fields:

Field	Value
Factor Rule	Value by Criteria
Name	Select the value for the housing allowance that you created using values defined by criteria. For example, Location Allowance Rate.

Field	Value

Create Rate Contributors

1. In the Rate Contributors section, click **Create**.
2. Select **Rate Definition** as the contributor type and then click **OK**.
3. On the Create Rate Contributors page, complete these fields:

Field	Value
Add or Subtract	Add
Rate Name	Select your salary rate definition.

4. Click **Save and Continue**.
5. Click **Submit**.

Calculate Housing Allowance Using Values Defined by Criteria

Let's look at an example to calculate a housing allowance rate that's limited to maximum of 1,000 per year.

In this example, housing allowance is a percentage of the salary. The percentage value is derived based on the job of the employee.

You can choose to calculate housing allowance rates with a job criteria with a maximum rate limit. Use the **Values Defined by Criteria** task to define the conditions and housing allowance values. Use the **Rate Definitions** task to associate the values defined by criteria to the housing allowance rate and apply the maximum limit rule.

In this example, you calculate housing allowance payments based on the type of the job. Create values by criteria for housing allowance, and then define criteria for each type of job.

You can also calculate the housing allowance payments based on a percentage of salary. You can do so by first entering values for each of the job criteria conditions. For example, if the job 'Help desk Manager' is eligible for 10% of the salary, enter a rate value of 0.10. Specify the value for the default criteria as 0.00. This ensures that you don't pay the allowance to employees who don't meet the job criteria.

Create the Housing Allowance Values by Criteria

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

Field	Value
Name	Housing Allowance Rate

Field	Value
Effective Start Date	Enter a valid date
Legislative Data Group	Select your legislative data group

4. Select the **Create new value definition group** option.
5. Enter **Housing Allowance** in the **New Value Definition Group** field.
6. Enter **Flat Rate** in the **Default Calculation Type** field.
7. Click **OK**.

Create Criteria for Each Job Type

1. Select the row with the Housing Allowance Rate criteria definition.
2. Click **New**.
3. Select **Criteria** and then click **OK**.
4. For each criteria definition you create, complete these fields:

Field	Value
Calculation Value Definition Name	Job
Value Definition Group	Housing Allowance
Retrieval Date	Enter a valid date.
Sequence	Select a sequence.
Database Item Name	Select a database item name.
Operand	=
Literal Value	Help Desk Manager

5. Click **OK** each time you create a new criteria definition.
6. To create a default group for the job criteria, repeat steps 1 to 3.
7. Complete these fields:

Field	Value
Calculation Value Definition Name	Housing Allowance Default Rate

Field	Value
Value Definition Group	Housing Allowance
Retrieval Date	Date Earned

8. Select the **Default Criteria** check box and then click **OK**.

Create Value Definitions for Each Job Type

1. Select the row with the Job = Help Desk Manager criteria definition.
2. Click **New**.
3. Select **Value** and then click **OK**.
4. Complete these fields:

Field	Value
Calculation Value Definition Name	Help Desk Manager Rate
Value Definition Group	Housing Allowance
Retrieval Date	Date Earned
Calculation Type	Flat Rate
Rate	0.10

5. Click **OK**.

Create Value Definitions for the Default Criteria Definitions

1. Under the job criteria definition, select the row with the Default Criteria definition.
2. Click **New**.
3. Select **Value** and then click **OK**.
4. Complete these fields:

Field	Value
Calculation Value Definition Name	Housing Allowance Default Rate
Value Definition Group	Housing Allowance

Field	Value
Retrieval Date	Date Earned
Calculation Type	Flat Rate
Rate	0.0

5. Click **OK**.

Create the Rate Definition for Housing Allowance

1. On the Home page, click the **Rate Definitions** quick action under the **My Client Groups** tab.
2. In the Search Results section, click **Create**.
3. Complete these fields.

Field	Value
Category	Derived Rate
Effective Start Date	Select a date that's after the creation date of the objects that you're referencing
Legislative Data Group	Select your legislative data group

4. Click **OK**.
5. In the Basic Details section on the Create Rate Definition page, complete these fields:

Field	Value
Name	Enter the name for your rate definition. For example, Rate - Housing Allowance.
Short Name	Enter a short name.

6. In the Returned Rate Details section, complete these fields:

Field	Value
Factor Rule	Value by Criteria
Name	Select the value for the housing allowance that you created using values defined by criteria. For example, Housing Allowance Rate.

Field	Value
Maximum Rate Rule	Value
Maximum Value	1,000

Create Rate Contributors

1. In the Rate Contributors section, click **Create**.
2. Select **Rate Definition** as the Contributor Type and then click **OK**.
3. On the Create Rate Contributors page, complete these fields:

Field	Value
Add or Subtract	Add
Rate Name	Select your salary rate definition.

4. Click **Save and Continue**.
5. Click **Submit**.

FAQ for Values Defined by Criteria

Does the order in which I add criteria definitions matter?

Yes, each criteria definition that you add is defined as a separate level and placed in priority order. The order produces a tree structure, which affects processing and the value that's returned.

You can change the sequence of the criteria definitions at any time to suit your business needs and fix processing problems.

How do I define minimum or maximum rules for a values by criteria rate?

Create a value by criteria definition. Create a rate definition that has a category of Value by Criteria and associate the rate definition to the value by criteria definition.

Create a rate definition that has a category of Derived Rate. Create a rate contributor with a contributor type of Rate Definition, and then select the values by criteria rate definition. You can now define return rate rules for your derived rate, such as a minimum or maximum values. These return rate rules will be applied to the values by criteria rate.

Payroll Event Groups

Overview of Payroll Event Groups

A payroll event group defines the types of data changes monitored for features such as the retroactive recalculation of payroll, the retroactive recalculation of time cards, and the retropay for late hires.

There are three types of payroll event groups:

- Proration
- Retroactive
- Event Action

Proration

Using proration, you can calculate proportionate earnings and deduction amounts whenever payroll-relevant data changes during a payroll period.

For example, you can calculate proportionate earnings and deduction amounts if:

- A person joins or leaves an organization in the middle of a payroll period
- A person's pay rate changes during a payroll period

If you want to prorate an element, such as basic salary, assign a proration event group to the element with proration points that affect a person's salary. You can use the predefined event group, or create a new one. When you create an event group, you select the events that activate proration calculation, such as changes to:

- Hourly or annual pay rates
- Working hours
- Allowances or deductions
- Assignment changes, such as grade or position

> **Tip:** You can only select events that represent changes to element entries, calculation cards, calculation value definitions and assignments.

Retroactive

Retroactive processing ensures that your payroll run for the current period reflects any backdated payments and deductions from previous payroll periods. A retroactive event group defines the types of changes that trigger a retroactive event notification. These types of changes are Entry Changes for Retro and trigger notifications when changes are made in a prior payroll period. You can make additional events trigger the recalculation process by editing the group or creating a new event group for the element. All events trigger in real time.

Within a retroactive event group, select the events that produce notifications if a backdated change occurs. Specify the entity, update type, and attribute, as shown in the examples provided in the following table.

To disable notifications for an element, within the Manage Element UI, query the 'base' element that you no longer want to be processed by retropay and remove the specified 'Retroactive Event Group'. This prevents new events from being triggered.

Entity	Update Type	Attribute
Element Entry Value	Correction	SCREEN_ENTRY_VALUE
Element Entry	Update	EFFECTIVE_START_DATE
Element Entry	Update	EFFECTIVE_END_DATE
Element Entry	Logical Date Change	
Element Entry	Insert	
Element Entry	Delete Changes	

Event Actions

An event action links a process to the events within an event group. When an event occurs, the process is triggered based on a set of conditions defined on the event action. You can use event actions to control the submission of features, which use event groups of type action such as generate HCM Rates and time card reprocessing. Event actions control the aspects of submission such as, if the process is automatically submitted when an event occurs or when submitted through a payroll flow.

There are two event action submission types:

- Manual: The application processes the event action notifications using the ‘Process Event Action’ flow. Schedule this process to run on a regular basis to ensure your information is kept up to date such as your stored rate values. Also, add this task to your payroll cycle flow so it is submitted before you calculate payroll.
- Automatic: The application automatically submits processes such as retropay late hires, each time an event action notification is generated.

There are different types of event actions, each with its own set of submission control rules such as:

- Resubmission of time cards
- Retropay for late new hires
- Absence resubmission
- HCM Rates Recalculation
- Mexico SDI calculations

Use HCM Data Loader to create an event action.

Related Topics

- Set Up Element Proration
- How Retroactive Pay Is Calculated
- Overview of Loading Event Actions and Event Action Groups

Element Proration

Set Up Element Proration

Use proration to calculate proportionate amounts for recurring elements when payroll-relevant data changes during a payroll period.

Examples of such scenarios include a person joining the enterprise or a mid-period pay increase. Proration creates two payroll run results. The first run result is for the payroll period up to the day before the event. The second one is from the date of the event to the end of the period. When you create an element, you specify its proration event group and the calculation method.

Use proration rate conversion rules to specify a different rule than that used for periodicity. For example, you prorate based on calendar days when using work units for conversion.

To set up element proration, you do these tasks:

- Review the predefined proration event group to ensure that it includes changes you want to track. You can optionally update the event group or create a new group.
- Create an element and enable proration processing for an element.

Review the Predefined Event Group

When you create or update a recurring element, you can make it subject to proration.

1. On the Home page, click the **Event Groups** task under the My Client Groups tab.
2. Search for the predefined event group: Entry Changes for Proration.
3. Review the types of changes that automatically trigger proration for the elements associated with this event group.

   You can edit this group or create a new event group for the element, if required. For example, you might want to add changes to calculation cards or assignments.

Enable Proration Processing for an Element

To enable proration, do these steps:

1. On the Home page, click the **Elements** task under the **My Client Groups** tab, and click **Create**.
2. On the Create Element: Additional Details page, select **Yes** for the following question: Is this element subject to proration?
3. Select the predefined event group (Entry Changes for Proration) or a new group that you created.
4. Select a **Proration Units** and **Proration Rate Conversion Rule**.
5. Select a **Proration Conversion Rule** formula.

Note: If the predefined conversion rules don't meet your requirements, you can create a user-defined formula.

Related Topics

- Overview of Payroll Event Groups
- How Prorated Earnings and Deductions are Calculated
- Create Conversion Formulas for Proration

Create Conversion Formulas for Proration for the US

Proration formulas control how the payroll process prorates an element entry when it encounters an event. You can modify these formulas to fit your own criteria.

There are two predefined proration formulas.

- GLB_EARN_PRORATION
- GLB_DEDN_PRORATION

They may trigger proration whenever the payroll process encounters an event, such as when there's a change to an element entry value.

You can copy and edit a predefined proration formula to modify the calculation. Then, you can update the user-defined formula as the proration formula for your element.

Create a Formula

Create a modified rate conversion before you create its related proration conversion rule.

1. Start the Fast Formula task.
2. Select the **Payroll Run Proration** formula type.
3. Search for and copy the predefined GLB_EARN_PRORATION or GLB_DEDN_PRORATION formula text.
4. Create the fast formula.
    a. Enter a name for your fast formula, including a suffix of _PRORATE.

       For example: MyFormula_PRORATE
    b. Select the **Payroll Run Proration** type.
    c. Click **Continue**.
    d. Paste the formula into the formula text.
    e. Update these formula inputs.
        - PRORATE_START_DATE (date)
        - PRORATE_END_DATE (date)
        - SOURCE_PERIODICITY (text)
        - DAYS_WORKED (number)
        - RATE_CONV_FORMULA (text)
        - HOURS_WORKED (number)
        - IN_AMOUNT (number)
        - UNIT_TYPE (text)

- PRORATION_UNIT (text)

f. Add the formula outputs for the element input values.

5. Save, submit, and compile the formula.

Use the predefined Global or US proration formulas as the basis for your modified version. These formulas use either GLB or US as a prefix.

Related Topics

- How You Prorate Earnings and Deductions for the US
- Periodicity Conversion
- Set Up Element Proration

How You Prorate Earnings and Deductions for the US

There are multiple proration conversion rules you can use to help you calculate standard or supplemental earnings.

You select a proration conversion rule when you define an earnings or deduction element using the Elements task. They calculate prorated earnings based on calendar days or work schedules.

This topic covers:

- How you prorate deductions
- How prorated earnings are calculated
- Examples of earnings calculation based on calendar days
- Example of earnings calculation based on work schedule

How You Prorate Deductions

Typically, you don't prorate deductions, such as deductions based on a percentage of earnings. However, you might consider prorating fixed-rate deductions, such as a voluntary deduction for a fitness center membership.

In most cases, you use the predefined global proration formula for deductions (GLB_DEDN_PRORATION).

This formula calculates the proration value by:

1. Multiplying the periodic value by the number of calendar days in the proration period.
2. Divides this figure by the number of calendar days in the payroll period.

How You Prorate Earnings

When you create a recurring earnings element, and you identify it as subject to proration, the element template automatically associates it with a predefined proration formula (US_EARN_PRORATION). This formula uses the proration calculation method you selected to prorate the earnings.

This formula doesn't prorate:

- Nonrecurring elements
- Earnings elements with a calculation rule of unit multiplied by rate, if rate and hours are entered in the element entry

These examples show how proration calculations are performed on earnings calculations based on:

- Calendar days
- Work schedules

Example of Prorating Earnings Based on Calendar Days

In this example, the formula calculates proration results based on various conversion rules and daily proration units.

With these settings	The formula calculates this	For example
Standard Rate Annualized rule Daily proration units	Calendar days in proration period multiplied by annual pay and divided by annual calendar days	1. You assign a person to a monthly payroll for a salary basis of $25,000. 2. You update the salary on 10 December to $30,000. 3. You calculate the December monthly payroll. 4. The proration formula calculates two proration periods with 9 calendar days in the first proration period, and 22 in the second period. (9 * 25000) / 365 + (22 / * 30000) / 365 = 616.44 + 1808.22 = $2424.66
Standard Rate Daily rule Daily proration units	Total pay divided by calendar days in the payroll period and multiplied by calendar days in the proration period	1. You hire a person to a weekly payroll in the middle of the payroll period. 2. The employee works 3 calendar days and receives a location allowance of $500. 3. The proration formula calculates the employee's location allowance for the 3 days. (500 / 7) * 3 = $214.29

Example of Prorating Earnings Based on a Work Schedule

In this example, the formula calculates proration results based on various conversion rules and workday-related proration units. If you don't define any working hours, the proration formula checks the assignment definition for the number of working hours and frequency. If it doesn't find any, it uses 40 as the number of working hours and 5 as the number of days for the work week.

With these settings	The formula calculates this	For example
Periodic Work Schedule Rate Annualized rule Workday proration units	Work schedule days in proration period multiplied by annual pay and divided by 260 days, the default number of annual working days A day in a work schedule is a 24-hour period.	1. You hire a person to a monthly payroll for an annual salary basis of $25,000. 2. The employee works 5 days a week Monday through Friday. 3. You increase the monthly salary to $30, 000 effective 10 December. 4. You calculate the December monthly payroll. 5. The proration formula calculates 6 working days from 1st December to 9th

With these settings	The formula calculates this	For example
		December, and 16 working days from 10th December to 31st December. (6 * 25000) / 260 + (16 * 30000) / 260 = 576.92 + 1846.15 = $2423.07
Periodic Work Schedule Rate Annualized rule Hourly proration units	Work schedule hours in proration period multiplied by the annual pay and divided by 2080, the default number of annual working hours.	1. An employee assigned to a weekly payroll receives an annual salary basis of $25, 000. 2. You increase the salary to $30,000 effective 10 December. 3. The employee works 10 hours a day from 9 December to 12 December. 4. You calculate the weekly payroll for the week 8 December to 14 December. 5. The proration formula calculates 2 proration periods, with 10 working hours for the first period, and 30 for the second period. (10 * 25000) / 2080 + (30 * 30000) / 2080 = 120.19 + 432.69 = $552.88

Related Topics

- Create Conversion Formulas for Proration for the US
- Proration Rules for Support Orders for the US
- Set Up Element Proration

Proration Rules for Support Orders for the US

You can use proration calculation values on an employee's Involuntary Deductions card to set up proration.

Along with the proration hierarchy, these calculation values help to enforce the applicable state's proration rules. For the payroll process to properly calculate support values, the total of the proration values you enter must equal the total withholding amount. If you don't enter proration values, the payroll process continues to calculate proration using the total withholding amount.

Here's some areas of consideration for proration.

- Default rules for states and territories
- Electronic Income Withholding Orders (e-IWOs)
- Proration overrides

For further info, see the following sections.

Default Rules for States and Territories

Each state and territory defines the hierarchy rules for the proration of their support orders. The payroll process uses the HRX_US_INVOL_DED_CALCULATION_RULES fast formula to identify the rules it needs to satisfy these requirements.

For example, Rule A prioritizes deduction proration in this order.

1. Prorates current support amounts.
2. If there's income remaining, the rule prorates all arrears amounts.
3. If there's income remaining, it prorates current medical support amounts.
4. If there's income remaining, it prorates all other support amounts.

For employees that have multiple support orders from different states, the payroll process uses the rules that apply to the first support order it processes.

As you can see below, most states follow Rule A.

This rule	Prorates deductions in this order	And is used by these states
Rule A	1. Current support 2. All arrears 3. Current medical support 4. Other	AK, AR, AZ, CA, CT, DC, DE, FL, HI, IA, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MS, MT, NC, ND, NH, NJ, NM, NY, OH, OK, PR, SC, SD, VA, WA, WI, WV, WY
Rule B	1. Current support 2. Current medical support 3. All arrears 4. Other	AL, CO, GA, ID, NV, UT, VI
Rule C	1. Current support 2. Current medical support 3. Support arrears 4. Medical support arrears 5. Other	GU, PA, VT
Rule D	1. Current support and current medical support 2. All arrears 3. Other	OR, TX
Rule E	1. Current child support and current medical support 2. Current spousal support 3. All arrears 4. Other	MO
Rule F	1. Current child support 2. Current spousal support 3. Current medical support 4. Child support arrears 5. Spousal support arrears 6. Medical support arrears 7. Other	NE
Rule G	1. Current child support 2. Current medical support 3. Current spousal support 4. All arrears 5. Other	RI
Rule H	1. Current child support	TN

This rule	Prorates deductions in this order	And is used by these states
	2. Current medical support 3. Current spousal support 4. Child support arrears 5. Medical support arrears 6. Spousal support arrears 7. Other	

Electronic Income Withholding Orders

When using the e-IWO process to load new and amended orders, it uses the current and arrears amounts provided on the order to load the proration calculation values.

For further info, see Human Resources Cloud Administering US Electronic Income Withholding Orders on the Help Center.

Proration Calculation Values

There are multiple calculation values to help you enforce the proration rules for your support orders. They are calculation value definitions you set on the card component.

These overrides apply to specific fields on the IWO form. The US Department of Health and Human Services provides complete info on this form, including instructions, samples, and a form you can download. For further info, see their Administration for Children and Families website.

> **Note:** If these overrides aren't available, you must upgrade your element. For further info, see Upgrade Involuntary Deductions for the US in the Help Center.

Override	What it does
Proration Child Support Arrears Amount	Amount of arrears for the child support. **Note:** For support orders, this value appears on field 6a of the IWO form.
Proration Child Support Current Amount	Amount of the current support for the child support. **Note:** For support orders, this value appears on field 5a of the IWO form.
Proration Medical Support Arrears Amount	Amount of the arrears medical support for the child support. **Note:** For support orders, this value appears on field 8a of the IWO form.

Override	What it does
Proration Medical Support Current Amount	Amount of the current medical support for the child support. **Note:** For support orders, this value appears on field 7a of the IWO form.
Proration Spousal Support Arrears Amount	Amount of arrears for the spousal support. This override can be used for alimony amounts if needed. **Note:** For support orders, this value appears on field 10a of the IWO form.
Proration Spousal Support Current Amount	Amount of the current support for the spousal support. This override can be used for alimony amounts if needed. **Note:** For support orders, this value appears on field 9a of the IWO form.
Proration Other Amount	Amount of any other miscellaneous items for the child support. **Note:** For support orders, this value appears on field 11a of the IWO form.

Related Topics

- Electronic Income Withholding Orders
- How You Add Involuntary Deductions to a Calculation Card
- Set Legislative Rule Overrides for Involuntary Deductions for the US
- Upgrade Involuntary Deductions for the US

Periodicity

Periodicity Conversion

Rate conversion formulas convert amounts to different periodicities for payroll calculations. The following calculations use rate conversion formulas:

- Proration
- Hours multiplied by rates calculation of an element run result

- Rates based on rate definitions

Predefined Periods

This table lists the predefined periods that you can use to set periodicity.

If these values don't meet your requirements, you can copy a predefined rate conversion formula and edit its periodicity values.

Periodicity	Valid for Payroll Periods	Number of Periods per Year
Annually	Yes	1
Bimonthly	Yes	6
Biweekly	Yes	26
Calendar Monthly	Yes	12
Daily	No	365
Hourly	No	2920 (365 days multiplied by 8 hours)
Lunar Month	Yes	13
Periodically	No	Payroll frequency determines the number of periods to use in the rate conversion.
Quarterly	Yes	4
Semiannually	Yes	2
Semimonthly	Yes	24
Workday	No	260
Weekly	Yes	52
Work Hour	No	2080 (260 days multiplied by 8 hours)

Defining Periodicity

This table lists the different ways in which you can define periodicity:

Object	Task	Description
Elements	Elements	The Periodicity input value specifies the frequency of the element value. For example, salary element entries that hold annual salary values have an annual periodicity.
Payrolls	Payroll Definitions	**Period Type** specifies the number of payroll periods. For example, the Monthly Lunar period type includes 13 payroll periods.
Rates	Rate Definitions	Rate definition can specify the following periodicities: • Return periodicity of the rate • Periodicity of each rate contributor • Periodicity of the calculated sum of the rate contributors

Rate Conversion Formulas

Rate conversion formulas change the periodicity of an amount.

For example, the Standard Rate Annualized conversion formula can convert an annual salary amount to a weekly amount.

This table lists the predefined rate conversion formulas to change the periodicity of an amount.

Rate Conversion Rule	Description	Example
Standard Rate Annualized	Calculates the annual rate using the input periodicity and converts the amount to an output periodicity and rate. This rule uses default values, such as 2080 hours or 260 working days, to calculate the annual rate. You select the day or hourly basis during element definition.	To convert a weekly amount to a semimonthly periodicity, the formula: 1. Multiplies the weekly amount by 52. 2. Divides the result by 24.
Standard Rate Daily	Calculates the daily rate using the input periodicity and converts the amount to an output periodicity and rate. This rule uses a default value, such as 260 working days a year, to calculate the daily rate.	To convert an annual amount to daily periodicity, the formula: 1. Divides the annual amount by 365. 2. Multiplies the result by the number of days in the payroll period.
Standard Working Hours Rate Annualized	Uses the employee's standard working hours to convert the monetary value and working hours to an annual value before calculating the rate.	The employee works 40 hours a week with a monthly salary of 1000: ((1000*12)/(40.00*52) = 5.77 an hour

Rate Conversion Rule	Description	Example
Assignment Working Hours Rate Annualized	Uses the employee's working hours to convert the monetary value and working hours to an annual value before calculating the rate.	The employee works 40 hours a week, with 37.5 standard working hours a week, and a monthly salary of 1000: ((1000*12)/(37.50*52) = 6.15 an hour
Periodic Work Schedule Rate Annualized	Uses the employee's work schedule for the payroll period for daily and hourly conversions.	For an employee: • With a monthly salary of 1000 • Assigned a monthly payroll The formula checks the work schedule details for the month. For a daily conversion: 1000 a month/20 days in the month = 50 **Note:** For compensation calculations where the employee isn't assigned a payroll, the rate is calculated using the weekly rate calculation. The amount is converted to an annual figure and divided by the number of days or hours in that week based on the work schedule.

The impact of rate conversion rule is summarized here.:

Periodicity: The conversion rule for periodicity applies to Flat Amount, Hours * Rate, and Days * Rate calculation rules. You can override the periodicity used as the default for the element definition at the element entry level.

Work Units: The Work Units conversion rule applies only to flat amount calculation rules for standard and supplemental earnings elements. The selection of which work units to use in reports and payslips determines the conversion calculation. The application creates the element input values using the default values of the rate conversion formulas.

For example, this table illustrates how the payroll process determines the standard work units for any given pay period:

Work Units Selected	Example
Hours	2080/24 = 86.67
Days	260/24 = 10.83
None	No input values are created

Proration: The element template includes a new question for proration units. Proration rate conversion rules replace the previous proration methods in the element template. You have greater flexibility, for example, to base proration on calendar days when using work units for conversion.

Note: If the conversion rules don't meet your requirements, you can copy and edit the rules using the Fast Formulas task under My Clients Group on your Home page.

Related Topics

- Options to Configure Rate Definitions
- Configure Periodicity Conversion Rules
- Overview of Using Formulas
- Create Conversion Formulas for Proration

Retroactive Pay

How Retroactive Pay Is Calculated

Retroactive pay is the recalculation of prior payroll results due to changes that occurred after you ran the original calculation.

To process retroactive pay, run the Recalculate Payroll for Retroactive Changes process. This process creates retroactive element entries based on retroactive events. This process automatically creates some retroactive events, but some you can create manually.

Note: For further info, see Recalculate Payroll for Retroactive Changes for the US in the Help Center.

Only elements that are set up to include a retroactive event group can have retroactive element entries.

Examples of prior period adjustments that could trigger a retroactive event are:

- An employee receives a pay award that's backdated to a previous pay period.
- The Payroll Department makes a backdated correction for an error that occurred in a previous pay period.

Settings That Affect Retroactive Pay

To enable retroactive processing of an element:

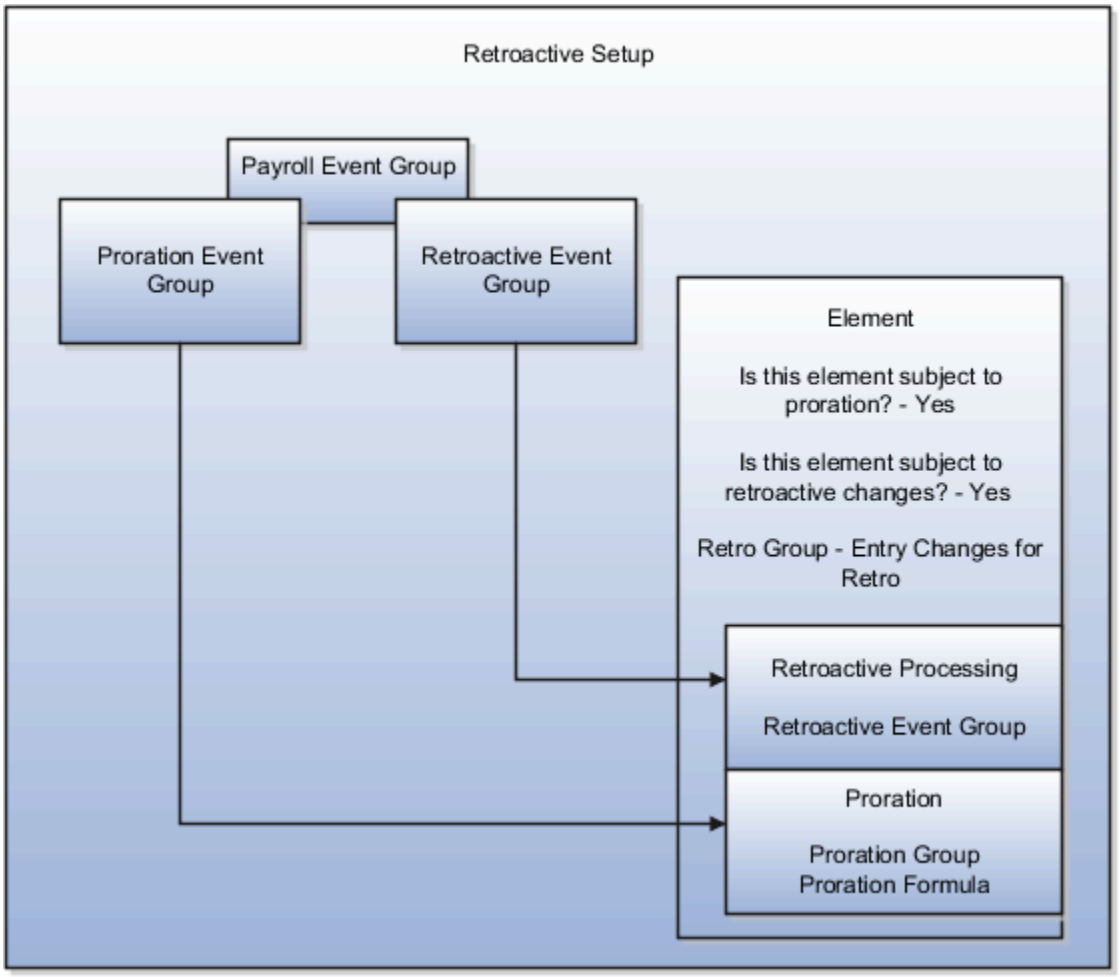
1. On the Event Groups task, review the types of changes that automatically trigger a retroactive notification for the predefined Entry Changes for Retro event group. You can edit this group or create one for the element, if required.

2. During base element definition, on the **Create Element: Additional Details** page, select **Yes** for the following questions.
    - Is this element subject to proration?
    - Is this element subject to retroactive changes?

    The element template creates nonrecurring retroactive elements with the same attribution of the base element with a couple exceptions.

    - If you selected **Process Separately** or **Pay Separately**, the template creates input values on the retroactive element. However, the input value default is set to **N** on the retroactive element. You can override these values at these levels.
        - Element
        - Element entry
        - Element eligibility
    - All retroactive elements are set with a latest entry date of **Final Close**, regardless of what you select for the base element.
3. Select the predefined event group or a group you have created.

This figure illustrates retroactive configuration.



How Retroactive Pay Is Calculated

To process retroactive pay:

1. Use the Event Notifications task to review or create retroactive events. You can download results to a Microsoft Excel spreadsheet to view retroactive events in a report format.
2. Submit the Recalculate Payroll for Retroactive Changes process.

   You can use the Submit a Flow task, or the process can run automatically as part of your payroll flow.

   This process never overwrites historical payroll data. Instead, it creates one or more retroactive entries to receive the process results.

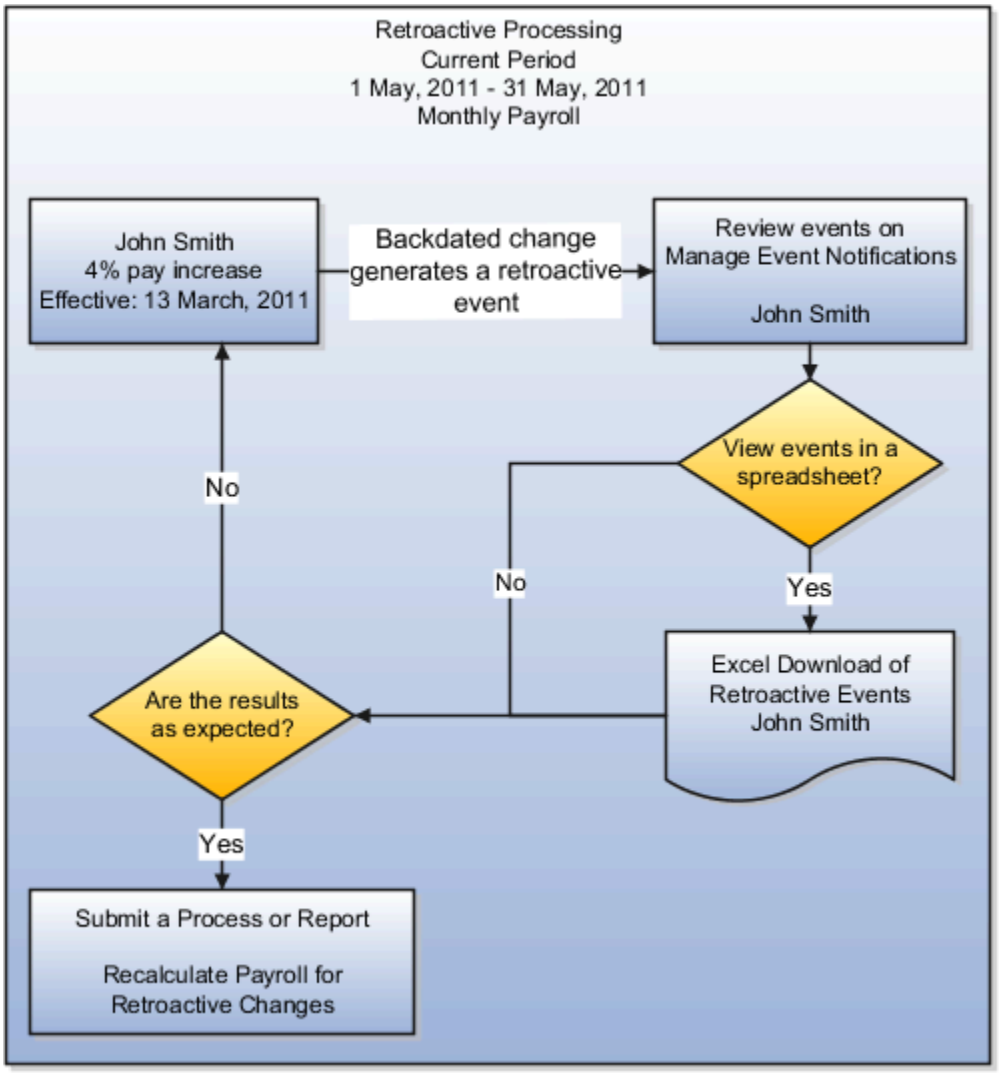
   > **Note:** Always run the Recalculate Payroll for Retroactive Changes process immediately before you run a payroll. If you run it after the Calculate Payroll process, retroactive adjustments are held over until the next payroll period.

3. Run the Calculate Payroll process.

If you don't get the expected retroactive notification, check these:

- The originating transaction causing the event
- Your element setup
- The element eligibility for the person
- The retroactive event group entities and attributes that are set up to trigger retroactive events
- The proration event group entities and attributes setup that triggers proration

This figure illustrates retroactive processing for a person getting a pay increase retroactively.



Related Topics

- Create Conversion Formulas for Proration for the US
- Overview of Payroll Event Groups
- Recalculate Payroll for Retroactive Changes for the US

Add a Retroactive Event Notification Manually

Retroactive Events are typically created automatically when you create retroactive adjustments, such as backdated salary changes.

You can enter the retroactive event manually to generate the correct payslip, such as if payroll hasn't made the pay rate change effective last pay period for an employee being terminated effective immediately.

Create a Payroll Relationship Event

1. Select the Event Notifications task.
2. Click **Create**.
3. Use the information in this table enter information into the Create Payroll Relationship Event window.

Field	Value
Approval Status	Awaiting Processing
Payroll Relationship	The person to process
Process Date	Date when the retroactive change process is run. **Note:** This date indicates when the element change was triggered.

4. Click **Save and Close**.

Create a Retroactive Event

1. On the Event Notifications page, click the name of the person associated with the payroll relationship event you created.
2. On the Retroactive Events page, click **Create** in the Entry Details section.
3. Select the element you want to reprocess, the date the recalculate payroll runs, and a retroactive component. The element from which the change will be paid to the person is the retroactive component.
4. Repeat the previous step if you want to recalculate multiple elements for this payroll relationship.
5. Click **Submit**.

FAQs for Pay Calculation Components

Why can't I create payroll components on the Calculation Information page?

You can view existing components on this page, but you can't create new components. Use the Elements task to create new elements. Creating some elements also creates associated calculation components. These elements can include involuntary deductions, pensions, and absence payment elements.

Can I delete or edit a cost component group mapping?

Yes. You can delete or edit a cost component group mapping only if it is not referenced in a cost profile.

Can I delete or edit the mapping of a cost component to an analysis group?

Yes. You can delete or edit the mapping of a cost component to an analysis group, even if the cost component or the cost component group is referenced in a cost profile.

12 Set Up Elements

Payroll Elements

Elements for the US

Elements are the building blocks that help determine the payment of base pay, benefits, absences, and other earnings and deductions.

Elements can represent:

- Earnings, such as salary, wages, and bonuses
- Compensation, such as employee stock purchase and insurance plans
- Absences from work
- Tangible items distributed to persons, such as tools, uniforms, mobile phones, or computers
- Statutory deductions, such as taxes, voluntary deductions, contributions to charities, or savings plans, and involuntary deductions, such as court orders and pretax deductions
- Employer taxes and other employer liabilities

> **Note:** When you define an element, you can enter up to 50 characters for its name. If you enter more, the task automatically truncates it. When choosing an element name, don't include any part of the secondary classification name. This can cause conflicts with predefined balances. For example, when creating an overtime earnings element, don't use `Overtime` for any element or reporting name.

Some elements are predefined. You can create others to meet your requirements.

Predefined Tax Elements

The payroll process uses the following predefined elements for taxes. You can't make any changes to these predefined elements. However, you must create eligibility records for them.

- US Taxation
- City Miscellaneous Employee Tax
- City Miscellaneous Employer Tax
- County Mental Health Tax Not Taken
- Family Leave Insurance Employee Tax
- Family Leave Insurance Employee Tax Not Taken
- Federal Income Tax
- Federal Income Tax Not Taken
- Federal Supplemental Income Tax
- Federal Unemployment Tax

- Head Tax Not Taken
- Medicare Employee Tax
- Medicare Employee Tax Not Taken
- Medicare Employer Tax
- Residence City Tax
- Residence City Income Tax Not Taken
- Residence County Tax
- Residence County Income Tax Not Taken
- Residence County Mental Health Tax
- Residence School District Tax
- Residence School Tax Not Taken
- Residence State Income Tax
- Residence State Income Tax Not Taken
- Residence State Supplemental Income Tax
- Social Security Employee Tax
- Social Security Employee Tax Not Taken
- Social Security Employer Tax
- State Disability Insurance Employee Tax
- State Disability Insurance Employee Tax Not Taken
- State Disability Insurance Employer Tax
- State Transit Tax
- State Transit Tax Not Taken
- State Unemployment Insurance Employee Tax
- State Unemployment Insurance Employee Tax Not Taken
- State Unemployment Insurance Employer Tax
- Voluntary Plan Employee Disability Insurance Tax
- Voluntary Plan Employee Disability Insurance Tax Not Taken
- Voluntary Plan Employer Disability Insurance Tax
- Work City Tax
- Work City Income Tax Not Taken
- Work County Tax
- Work County Income Tax Not Taken
- Work County Mental Health Tax
- Work County School District Tax
- Work Head Tax
- Work School Tax Not Taken

- Work State Income Tax
- Work State Income Tax Not Taken
- Work State Supplemental Income Tax

Elements and Element Templates

Each element belongs to a primary classification, according to its purpose, which determines the template you use to create it. The template creates the elements and associated items required for payroll processing. You can create as many earnings and deductions as you require using the Elements task.

The element definition templates provide you with an intuitive user interface and help you manage the creation of different types of elements and their associated objects, including:

- Questions you answer to define the details of the element you want to create
- Objects that the template generates, which can include indirect elements, input values, formulas, balances, and other items as illustrated in the following table

  For further info, see Indirect Elements for the US in the Help Center.

The element definition process gets a set of rules from the template and processes the predefined template structure to create appropriate data.

> **Note:** The template you use to create elements also depends on the product you enabled for the US. You set this through the Manage Features by Country or Territory task. For example, if you select **Payroll**, you use a template that generates all the items required for payroll processing. If you selected **Human Resources or None**, you use a basic template that generates the elements only. For further info, see Select Country Extensions for the US in the Help Center.

You can configure any of the generated items to match your specific business requirements.

For example, you can add input values, edit the formulas, or add a status processing rule to use a different formula for certain assignment statuses.

The following illustrates how the different options contribute to element creation.

What you can set	What it does
Priority Range	Primary classifications have a priority range. When you define an element, you can override the default processing priority with another number from the range. Use this to establish the order in which the element processes with respect to other elements in the primary classification range.
Input Values	Define the entry values available on each entry of this element, such as hours worked or amount.
Element Eligibility Records	You must define the eligibility criteria a worker's employment record must meet to be eligible for the element. For example you can use grade, payroll, salary basis, or organization as eligibility criteria.
Status Processing Rules	Identify the formula the payroll run uses to process the element, and how to handle the formula results.
Related Formulas and Related Elements	Identify additional elements and formulas created by the template for payroll processing.

What you can set	What it does
Related Balances	Identify the balances created by the element template for this element.

Note: The template creates each of these components, except for the eligibility rules. You must create those yourself. You can add additional inputs and formulas according to your requirements.

Puerto Rico Elements

To identify deduction elements belonging to Puerto Rico, create a State input value in the results element and populate it with a value of 72. For this configuration, select the **State** reference in **Default Entry Values and Validation** for the results element. Define the State input value with a display sequence of 1.

Modify your fast formula and status processing rules to ensure the correct value is passed to the results element.

Do this only for deduction elements that feed these Puerto Rico W2 balances.

- W2 Territory Charitable Contributions
- W2 Territory Government Retirement Fund
- W2 Territory Government Employee Savings Plan
- W2 Territory 401k

Related Topics

- Formula Result Rules for Elements
- Maintain Elements
- Indirect Elements for the US
- Examples of Creating Earnings Elements for the US

Maintain Elements

After you create and use an element, you're limited on the updates you can make to it. This ensures the integrity of the element for retroactive processing and the balances of the input values.

You can't remove existing input values or add new ones if you've created entries for the element. To add an input value to an element before you create any element entries, set your effective date to the element's start date.

You can make these changes to an element that has been processed before:

- Change a required input value to be optional.
- Alter the sequence in which input values appear on the Element Entries page.
- Change the input value validation rules for minimum, maximum, lookup, or formula.
- Change your specification of which input values create database items.
- Change the reporting name. However, the database items created for the element continue to use the original name.

- Delete elements that are in **In Progress** status.

For existing elements you can now make updates to these attributes in the correction mode if the element meets the specified criteria rules for the attribute.

- Allow multiple entries in same period
- Latest Entry Date
- Output Currency
- Process once per period

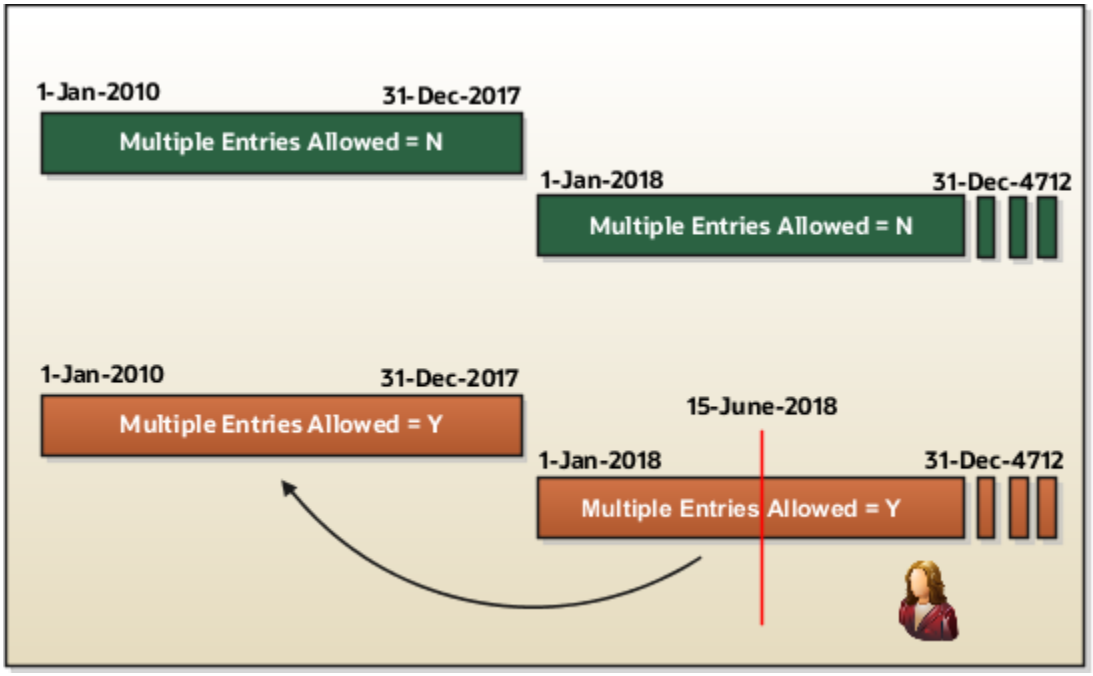
Let's assume you correct the Allow multiple entries in same period attribute, all date effective records would get updated with the change.

Example:

An element has these two date-effective records:

- 01-Jan-2010 to 31-Dec-2017
- 01-Jan-2018 to 31-Dec-4712

And for that element, the value of **Allow multiple entries in same period** option is **N**. Effective 15-Jun-2018, you change the value of this option from **N** to **Y**. Then, as the figure shows, the application updates both the records with the value **Y**.



Allow Multiple Entries

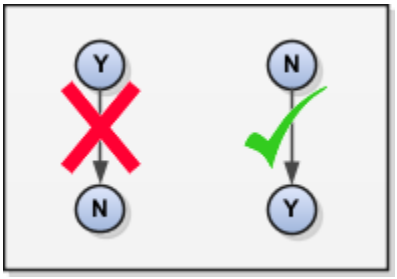
Edit the **Allow multiple entries in same period** option from **N** to **Y** even if element entries and run results exist for that element.

However, you can't edit this option in these scenarios:

- If the element is target of **Stop Entry** rules.
- If the value of the **Standard Link** option is **Y**.

- If the element is a target of indirect formula result rules.

As this figure shows, you can't change the value from **Y** to **N**. This is because such an action invalidates the existing entries and possibly could impact retroactive processing.



Update Termination Rule

You can update the termination rule of an element even if element entries or run results exist for that element. Such updates don't affect the existing element entries, but impact only new element entries.

In the **Latest Entry Date** field, you can change the element duration option so that entries have a later end date. You can't select an element duration option that will result in entries having an earlier end date.

For example, you can update the dates as follows:

- Last Standard Earning Date to Last Standard Process Date
- Last Standard Process Date to Final Close
- Last Standard Earning Date to Final Close

This change isn't applicable to the time definitions that you define.

Update Output Currency

The output currency for an element is defaulted based on the currency defined for the legislative data group. You can update the Output Currency field to a required currency under these circumstances.

- If it's a newly created element
- There isn't element eligibility for that element
- No balances exist for this element

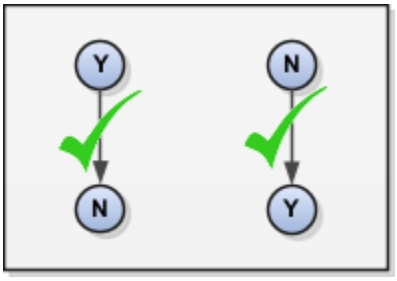
> **Note:** If you calculate statutory deductions such as tax, you should not change the element output currency. All predefined tax calculations are performed using the currency of the legislative data group. All reports including payslips are also generated using the currency of the legislative data group.

Your company might have a requirement to change the element output currency for payroll calculations that don't include legislative taxes. For example, a British national who works in the USA might be paid on an expat payroll which isn't subject to US taxes.

Process Once Per Period

Use the **Process once per period** option to check if the element entry has been processed or not.

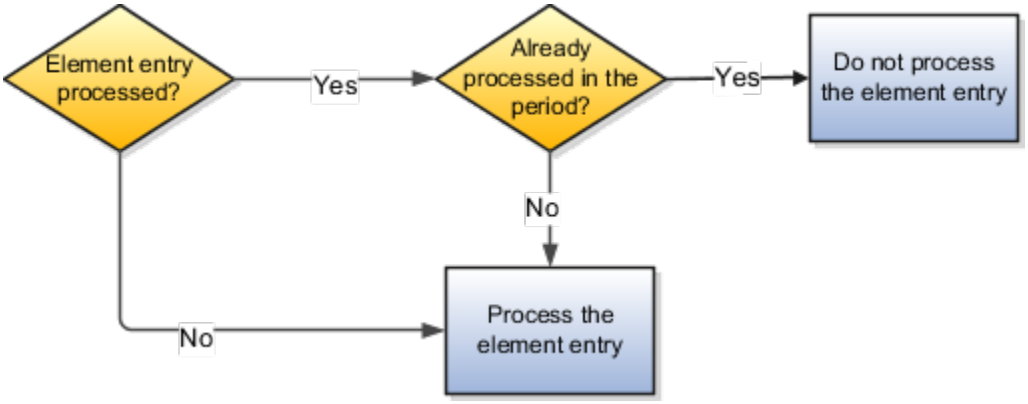
As this figure shows, change this field both from **Y** to **N** and **N** to **Y** even if element entries or run results exists.



If the value of the option is **Y** and the element entry is already processed in the period, then the application doesn't process it again.

If the value of the option is **N**, then the application processes the element entry even if it's already processed in the run.

As this figure shows, depending upon the value of the option, the application processes the element entry.



Search for Elements Using the Element Code

You can now search and view elements using the element code.

- Use the **Add Fields** option in the **Advanced Search** region to search the element using element code.
- Select **View** > **Columns** > **Element Code** to view the element code attribute with other element details.
- The element code attribute is displayed under the **Element Name** attribute in the **Element Summary** page.

Delete In Progress Status Elements

On the Element Search page, you can delete those elements that are in the **In Progress** status. However, you can delete only those elements for which the corresponding element creation scheduled process has failed.

Add New Input Values to Existing Elements

You can add new input values to an element using the HCM Data Loader (HDL), when the element has entry values created or processed in the payroll run. The new input value must meet the following criteria:

- Input value isn't required
- Default at runtime isn't enabled
- Default value isn't provided
- Default formula isn't attached
- Input value with the same name doesn't exist already for the same element

When you create a new input value for an element using the `PayrollElementDefinition` HDL object, a new flow, **Perform Post Processing of Element** with task **Create Element Entry Values** will automatically assign this value to all element entries. After the entry values are created for all impacted employees, you can change the entry value.

During the entry creation process, if the **Perform Post Processing of Element** flow errors out for any reason, you can retry or resubmit the process to create the remaining entry values. You also have the option to rollback the process, which deletes all entry values. When you delete the entry values, you must also delete the input values that were created using HDL.

Validations are provided to ensure the input and entry values are created successfully. When the **Perform Post Processing of Element** process is running, or being rolled back, the following validations will be applied:

- The element will be locked for any modification.
- The Calculate Payroll, Adjust Multiple Balances, Calculate Gross Earning, Load Initial Balances, Reverse Payroll Calculation, and Recalculate Payroll for Retroactive Changes payroll processes will be blocked from running when the postprocessing of element is being run.
- The element will continue to be in locked status if the element postprocess is rolled back but newly created input values aren't deleted. During this time, the Calculate Payroll, Adjust Multiple Balances, Calculate Gross Earning, Load Initial Balances, Reverse Payroll Calculation, and Recalculate Payroll for Retroactive Changes payroll processes will error out till the newly created input values are deleted.
- The Quickpay submission and Retry process are prevented from submission.
- The input value can't be created while a payroll process is being run.

Note: The payroll processes that are running beyond 3 days will be ignored while doing the above validation check. This feature isn't intended to upgrade the existing elements with any other objects, such as upgrading the element that was created using the HR or Payroll Interface license to an element to use in Payroll processing with Payroll license. It's only for adding new input values when the above conditions are met. Consider when's the best time to create any new input values, to avoid the impact on your payroll cycle, such as overnight or weekend. Ensure that the add new input value functionality isn't planned to be run when any of the above payroll processes are running, waiting, or planned to be run, as it will impact the regular payroll cycle.

Related Topics

- Payroll Element Input Values

How Elements Hold Payroll Info for Multiple Features for the US

Elements are the building blocks that help determine the payment of base pay, benefits, absences, and other earnings and deductions. How you associate your elements with salary bases, absence plans, and the benefits object hierarchy helps determine how you use them.

Here are some examples of how you can use elements.

What you want to manage	What elements you can define
Base pay	Annual salary basis Monthly salary basis

What you want to manage	What elements you can define
	Hourly salary basis
Absences	Absence payments Leave liability Discretionary disbursement Final disbursements
Benefits	Health care deductions Savings plan deductions Employee stock-purchase deductions
Time and labor	Regular hourly earnings Overtime earnings Shift earnings
Payroll calculations	Regular standard earnings Bonus earnings Taxation of federal income tax (FIT) Bankruptcy orders Child support orders Federal tax levies

For further info, see the following sections.

Base Pay Management

You must set up salary basis and payrolls before you hire employees. Use the Salary Basis task.

After you establish the salary basis, to manage a worker's base pay:

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

When a manager or compensation specialist enters a base pay amount for a worker, the payroll process:

1. Writes the amount to an element entry. It uses the element input value you associated with the worker's salary basis.
2. Uses the element entry to generate payment amounts.

Absence Management

You can manage worker absences and corresponding entitlements. You can:

- Create absence types based on predefined absence patterns and associate them with absence plans
- Associate an absence element with an absence plan to transfer the following info for payroll processing.
    - Payments for absent time during personal time off
    - Accrual disbursement at the end of absence plan year
    - Accrual disbursement when plan enrollment ends
    - Absence liability amounts

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

For further info, see Human Resources Cloud Administering US Absences on the Help Center.

Benefits

Attach elements at various levels in the benefits object hierarchy to create deductions and earnings that you can process in a payroll run to calculate net pay.

Time and Labor

Create elements for use in time cards, and calculate payroll or gross earnings based on the time card entries transferred to payroll. For example, for Oracle Fusion Time and Labor, you run processes that create dependent payroll attributes and time card fields for element input values.

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

Payroll

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

Related Topics

- Earning and Deduction Definitions for the US
- https://www.oracle.com/pls/topic/lookup?ctx=Fa-latest&id=s20069393
- Define Payroll Elements for an Absence Accrual Plan for the US
- Examples of Creating Earnings Elements for the US

Element Classifications

Primary Element Classifications: Explained

Primary element classifications are defined by Oracle Fusion to meet legislative requirements, and are supplied to users with the product.

Primary Classifications

Elements are grouped into primary classifications, such as Earnings and Voluntary Deductions. In a human resources department, you can use the primary classifications to identify groups of elements for information and analysis purposes. In a payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed. Oracle Fusion provides primary classifications and some balances, mainly to reflect tax legislation. They are designed to meet the legislative requirements of your country, so you 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 use secondary classifications to manage wage basis rules for deductions and taxes.

You can't remove or change any predefined secondary classifications, and you can't disable any of the predefined balance feeds created for them. They are subsets of the primary classifications.

What Are the Predefined Classifications

These are the available predefined secondary classifications.

Primary classification	Secondary classifications	What you need to know
Absences	• Maternity • Other • Sickness • Vacation	
Balance Initialization	N/A	
Employee Tax Credits	N/A	
Employee Tax Deductions	N/A	

Primary classification	Secondary classifications	What you need to know
Employer Liabilities	• Benefits Employer Paid	
Employer Taxes	N/A	
Imputed Earnings	• Cash Tips Reported • Domestic Partner Dependent • Domestic Partner Nondependent • Group Term Life • Moving Expense Nonqualified and Taxable • Moving Expense Qualified and Nontaxable • Noncash Award • Personal Use of Company Car • Retiree Domestic Partner Dependent • Retiree Domestic Partner Nondependent • Retiree Employer Health Care 125 • Retiree Employer Health Care Other	
Information	• Allocated Tips	
Involuntary Deductions	• Alimony • Bankruptcy Order • Child Support • Creditor Debt • Debt Collection Improvement Act • Educational Loan • Employee Requested • Garnishment • Regional Tax Levy • Spousal Support • Tax Levy	Don't use this element classification for retiree deductions. For further info, see Human Resources Cloud Administering US Involuntary Deductions on the Help Center.
Nonpayroll Payment	• Expense Reimbursement	
Pretax Deductions	• Deferred Compensation 401k • Deferred Compensation 401k Catch-Up • Deferred Compensation 403b • Deferred Compensation 403b Catch-Up • Deferred Compensation 457 • Deferred Compensation 457 Catch-Up • Dental Care 125	For further info, see Define Pretax Deduction Elements for the US in the Help Center.

Primary classification	Secondary classifications	What you need to know
	• Dependent Care 125 • Flexible Spending Account • Health Care 125 • Health Savings Account • Health Savings Account Catch-Up • Nonqualified Deferred Compensation • Retiree Dental Care 125 • Retiree Flexible Spending Account • Retiree Health Care 125 • Retiree Health Savings Account • Retiree Health Savings Account Catch-Up • Retiree Vision Care 125 • Vision Care 125	
Standard Earnings	• Overtime • Premium • Regular • Regular Not Worked • Shift • Tips Regular	
Supplemental Earnings	• Awards and Prizes • Bonus • Cafeteria • Commission • Deceased Employee Wages • Deferred Compensation Distribution • Dismissal Payments • Job-Related Educational Assistance • Jury Duty Pay • Moving Expense Nonqualified • Moving Expense Qualified • Paid Time Off Payout • Pensions and Annuities • Retiree Nontaxable Payments • Retiree Pension and Annuities • Retiree Profit Sharing • Sick Pay • Tips Supplemental • Travel Taxable Reimbursement	

Primary classification	Secondary classifications	What you need to know
Voluntary Deductions	• Benefits After Tax • Deferred Compensation 401k Roth • Deferred Compensation 401k Roth Catch-Up • Deferred Compensation 403b Roth • Deferred Compensation 457 Roth • Employer Reimbursements • Life Insurance • Loans • Pension Plan After Tax • Union Deductions	For further info, see Voluntary Deductions for the US in the Help Center.

How to Define Secondary Classifications

Sometimes you must create a secondary classification to suit your business needs.

1. Start the Element Classifications task.
2. Enter your US legislative data group, and click **Search**.
3. Select the appropriate primary classification in the search results.

   > **Note:** You can't create secondary classifications for the Involuntary Deductions primary classification.

4. Click **Edit**.
5. In the Secondary Classifications section, select **Create**.
6. Enter the new name and start date.
7. Click **OK**.
8. Create any new wage basis rules as needed.

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

Related Topics

- How Element Classification Components Work Together for the US
- Primary Element Classifications
- What are tax wage basis rules for the US?

How Element Classification Components Work Together

When you create an element, you select a primary classification, such as Involuntary Deductions, and optionally a secondary classification, such as Child Support. These classifications control the element template questions you answer to define the element.

Primary Classifications

Primary classifications meet the legislative requirements of your country or territory, so you can't change them.

In a Human Resources department, you can use the primary classifications to identify groups of elements for info and analysis purposes. In a Payroll department, the classifications control processing, including the sequence in which elements are processed and the balances they feed.

Secondary Classifications

Secondary classifications are subsets of the primary classifications. Use them to manage wage basis rules for deductions and taxes. You can't remove or change any predefined secondary classifications. You can create your own secondary classifications.

Subclassifications

Subclassifications provide a way to feed balances. An element may automatically inherit subclassifications from its primary classification. Elements can have only one primary and secondary classification, but multiple subclassifications. You can optionally select additional subclassifications for an element to control the balances it feeds.

You can create subclassifications or use predefined ones. You can specify that a subclassification automatically applies to every element in the primary classification.

> **Tip:** Each subclassification belongs to one primary classification only. If you reuse a subclassification name under different primary classifications, it's treated as a separate subclassification. In this case, you must create separate balance feeds for each subclassification.

Costing

Each primary classification includes these costing rules.

Rule	How it works
Allow Costing	If you set this rule to **Yes**, you can select any costing option for element eligibility records.
Allow Distribution	If you set this rule to **Yes**, you can create distribution groups with elements in this classification. For example, you can create a distribution group with all of the earnings elements and prorate tax expenses proportionately over the cost centers in which the wages were earned.
Debit or Credit	This rule determines whether the costing process costs a positive amount as a debit or a credit.

Frequency Rules

If frequency rules are enabled for a primary classification, you can use them on an element if you don't want to process it each period.

For example, you can set frequency rules to process element entries on the first and third weekly payroll periods of each month.

The default frequency rule is to process each period.

Related Topics

- Payroll Balance Definitions for the US
- Primary Element Classifications
- Secondary Element Classifications for the US
- How the Payroll Process Determines the Element Processing Sequence for the US

Element Employment Level

Element Employment Levels

Your enterprise uses an employment model. When you create elements, you select the employment level at which to attach the element.

If you select a level below payroll relationship, each assignment record can have separate element entries.

Payroll Relationship Level

This level is the highest level for accumulating balances. Every payroll run processes payroll relationship elements.

Typical elements to define at payroll relationship level are:

- Tax deductions
- Child support
- Medical care
- Union dues
- Benefits activity rate calculations, such as employee contributions and flex credits

Assignment Level

Use this lowest level for elements that require different entries for different assignments, or when the element applies only to specific assignments.

Typical elements to define at the assignment level are:

- Assignment salary
- Regular hours
- Overtime
- Sales bonus
- Profit-sharing bonus

Related Topics

- Elements for the US

Indirect Elements

Indirect Elements

During the creation of your elements, depending on the options you selected, the element template may automatically create related indirect elements.

Note: These are also referred to as shadow elements.

There are two kinds of indirect element.

Kind of indirect element	What it's for
Results element	The element template may create results elements when you define elements with one of these primary classifications. • Employee Tax Deductions • Employer Liabilities • Standard Earnings • Supplemental Earnings • Imputed Earnings • Involuntary Deductions • Nonpayroll Payment • Pretax Deductions • Voluntary Deductions Results elements use this naming convention. **<User Element> Results**. These indirect elements are nonrecurring. The payroll process feeds values to these elements taking into consideration frequency rules and formulas such as skip formulas, proration formulas, and so on.
Retroactive element	The Elements task creates retroactive elements when you select **Yes** to the **Is this element subject to retroactive changes** question. The task creates these elements nonrecurring with the same attribution of the base element with a couple of exceptions.

Kind of indirect element	What it's for

	• If you selected **Process Separately** or **Pay Separately**, the template creates input values on the retroactive element. However, the input value default is set to **N**. You can override these values at the following levels.
	  ○ Element
	  ○ Element entry
	  ○ Element eligibility
	• All retroactive elements are set with a latest entry date of Final Close, regardless of what you select for the base element.
	Retroactive elements use this naming convention.
	<User Element> Retro.
	The element template may create retroactive elements for these primary classifications.
	• Employer Liabilities, excluding deferred compensation
	• Imputed Earnings
	• Nonpayroll Payment
	• Pretax Deductions, excluding deferred compensation
	• Standard Earnings
	• Supplemental Earnings
	• Voluntary Deductions

Related Topics

- Define Earnings Elements for the US
- Define Involuntary Deductions for the US
- Define Pretax Deduction Elements for the US
- Elements for the US
- How the Payroll Process Calculates Retroactive Pay for the US

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.
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.

Field Value	What You Do
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 -12345.67	12345.00 <12345.67>
Hours in decimal format, 1 place	12345	12345.0
Hours in decimal format, 2 places	12345	12345.00

Unit of Measure	Sample Entry Value	Display in Application
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

- Create and Edit Profile Options
- How Element Setup Affects Entries and Their Values
- Overview of Payroll Elements
- Use a Value Set for an Element Input Value

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

Field	Value
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
- Overview of 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 Duration Dates

Element duration dates control when element entries for an employee start or end. View and manage these dates on the Manage Payroll Relationships page when you hire, terminate, add, or transfer an employee's payroll.

In addition to the predefined element duration dates, you may have additional dates that were created as time definitions. Here are the predefined element duration dates:

- First standard earnings date
- Last standard earnings date
- Last standard process date
- Final close date

Element entries end on either the last standard dates or the final close date, depending on the element setup.

Element Duration Dates on the Manage Payroll Relationships Page

You may see multiple sections displaying element duration dates on the Manage Payroll Relationships page. Each section is for a different level of the employment hierarchy: payroll relationship and assignment. In the Assignment section, the first Element Duration Dates section shows the dates associated with the assigned payroll. The second section shows dates associated with the assignment itself. Information in this section overrides information in the section for the assigned payroll.

Date Values

This table provides information about what actions set the date values and which dates they're based on.

Date	Description	Actions Setting Dates	Date Used
First Standard Earnings Date	Date when standard earnings start accumulating	Hire, add payroll, or transfer payroll	Hire date or the effective date of the change
Last Standard Earnings Date	Date when standard earnings stop accumulating	End employee assignment or transfer payroll	Termination date. For transfer, last day of the payroll period or one day before transfer date
Last Standard Process Date	Regular payroll process can include elements for normal processing on the last date	End employee assignment or transfer payroll	Last day of the payroll period Must be later than or same as LSED or FCD If you edit this date after termination, then the application doesn't update it with the assignment date
Final Close Date	Last date a supplemental payroll process can include element entries	None, but you can manually set to limit the length of time that element entries are open for processing, such as the date on which processes skip terminated assignments	End of time, unless manually set If date is End of time, date doesn't show in the field Must be later than or same as LSED The End Payroll action doesn't set a final close date You must set the final close date to end a payroll record

Change Date Values

This table shows the dates you can change.

Date Field	Set Automatically	Editable
First Standard Earnings Date	Yes	
Last Standard Earnings Date	Yes	
Last Standard Process Date	Yes	Yes
Final Close Date	Yes	Yes
User-defined Time Definition		Yes

Date Field	Set Automatically	Editable

Related Topics

- Options to Determine an Element's Latest Entry Date
- Use Time Definitions for Severance Pay
- How to Set End Dates for Terminations
- How Terminations Affect Payroll Processing

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.
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

Formula Usage	Return Values	Comments
		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.
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.

Results Rule	What's Its Use
	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

Element Eligibility

Element eligibility is the method of identifying which employees are eligible for an element.

If you want an element to be available for an employee, you must set up its eligibility.

To set element eligibility, when you select **Create Element Eligibility**.

1. After you've defined the element, use the Elements task to open its definition for editing.
2. In **Element Overview**, select **Element Eligibility**.
3. Select **Actions** > **Create Element Eligibility**.
4. Set the following in **General Information**.

Tab	What you can do here
General Information	In this area you define the criteria of employees that are eligible for this element. • To have all employees eligible for this element, add the eligibility record with no criteria. • If you want only certain employees to be eligible for this element, add the eligibility record with your specific criteria. The available criteria in this area are: • Legal Employer • Department • Job • Grade • Employment Category • Location • Position • Payroll
Input Values	Input values can be:

Tab	What you can do here
	• The same default value for each set of eligibility criteria • Changed to different default values for each set of eligibility criteria you create If the default values are the same, you don't need to enter anything in this area.
Costing	Costing is the financial accounting of your payroll costs. It breaks down the costs of a payroll into customer-defined units (such as a location, division, or project). Costing of payments is a separate post-payments process. For customers not using Oracle Fusion General Ledger, you can disable the Transfer to Subledger Accounting task by copying the US Simplified Flow and creating your own flow and removing the task. For further info, see: • Payroll Costing of Elements for the US in the Help Center • Oracle Cloud Global Human Resources Implementing Payroll Costing Guide Costing values can vary by different eligibility settings as well. If transferring your payroll data to General Ledger, you should setup costing for the results and retroactive elements.

Eligibility Criteria

You define element eligibility using the following criteria.

Level	Available criteria
Payroll Relationship	• Payroll Statutory Unit • Relationship Type
Assignment	• Legal Employer • Department in which the person works • Job • Grade • Employment Category • People Group **Note:** You set up all the people groups appropriate for your enterprise. For example, you could group people by company within a multicompany enterprise or by union membership. • Location of person's office • Position • Payroll • All payrolls eligible

Tip: You must define element eligibility for every element, including predefined elements and indirect elements. If you want the element to be available to all workers, add an eligibility name and save the element eligibility record with no additional criteria selected. This is the usual practice for compensation and benefit elements where you decide eligibility using eligibility profiles.

Element Types

As a guideline, when the element template creates a base, results, and retroactive element, you must:

1. Set up element eligibility records for the base, results, and retroactive elements.

   The base, results, and retroactive element eligibility records can serve different purposes. For example, you might create two records for the base element to limit who's eligible, and one open record for the results, if you cost the element results for your eligible people the same way.
2. Specify costing info for the results and retroactive element eligibility records.

Note: To capture costing info for your retroactive payments, you must either:

- Set up costing for your retroactive elements through element eligibility.
- Identify at which hierarchy level you must configure costing to capture costing info for your retroactive payments. For further info, see Global Human Resources Costing Guide (1918574.1) on My Oracle Support.

You must define element eligibility for the following elements. Set up costing for them as well if required.

Primary Classification	Secondary Classification	Indirect Elements Generated	Input Value
Standard Earnings	All	<User Element> Results <User Element> Retro Results	Earnings Calculated **Note:** If you also need to cost hours, you must cost the appropriate hours input value in the Results element.
Supplemental Earnings	All	<User Element> Results <User Element> Retro Results	Earnings Calculated
Imputed Earnings	All	<User Element> Results <User Element> Retro Results	Earnings Calculated
Nonpayroll Payment	All	<User Element> Results <User Element> Retro Results	Earnings Calculated
Pretax Deductions	Deferred Compensation 401K	<User Element> Results	Deduction Calculated

Primary Classification	Secondary Classification	Indirect Elements Generated	Input Value
Pretax Deductions	Deferred Compensation 401K Catch Up	<User Element> Results	Catchup Deduction Calculated
Pretax Deductions	All other than Deferred Compensation 401K and Deferred Compensation 401K Catch Up	<User Element> Results <User Element> Retro	Pay Value
Employee Tax Deductions	All	<Predefined Element>	Tax Calculated
Employer Liabilities (deferred compensation)	NA	<User Element> Employer Match Results **Note:** Automatically generates when you answer **Yes** to the employer match question on the element template.	Employer Match Calculated
Employer Liabilities	All	<User Element> Results <User Element> Retro	Pay Value
Involuntary Deductions	All	<User Element> Results	Deductions Calculated
Involuntary Deductions	All fees	<User Element> Organization Fee Results <User Element> Person Fee Results <User Element> Processing Fee Results	Fee Calculated
Voluntary Deductions	All other than Roth Deferred Compensation	<User Element> Results <User Element> Retro	Pay Value
Voluntary Deduction	Roth Deferred Compensation	<User Element> Results <User Element> Retro	Deduction Calculated

For further info, see the following in the Help Center.

- Indirect Elements for the US
- Payroll Costing of Elements for the US

Multiple Rules of Eligibility

You can define more than one eligibility record for each element. Doing so is useful when you want only certain groups of people to be available for an element, but not all them. There can't be any overlap between the eligibility records.

For example, you can create one record for the combination of grade A and the job of accountant. However, you can't create one record for grade A and a second for the job of accountant. These rules would imply that an accountant on grade A is eligible for the same element twice.

If you have more than one element eligibility record, you can enter different default values and costing info for each eligibility group.

Examples of Eligibility Criteria

You can restrict who can receive an element entry like the following.

- Your enterprise provides company cars only to people in the Sales or Customer Support departments.
    a. Create two eligibility records.
    b. Use **Department** to specify the eligibility criteria. Select **Sales Department** for one record and **Customer Support** for the second.
- Your enterprise offers a production bonus to people who work full-time in production and are on the weekly payroll. You and
    a. Create one eligibility record.
    b. Select **Full-time regular** as the employment category, **Production** as the department, and **Weekly** as the payroll.

Related Topics

- Example of Defining Element Eligibility for the US
- Indirect Elements for the US
- Maintain Element Eligibility
- Payroll Costing of Elements for the US

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.

Action	What's The Result
	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

How do I set eligibility for predefined elements for the US

Before you hire any workers, you must set eligibility for any predefined payroll elements.

This applies if you set the country extension on the Manage Features by Country or Territory task to either **Payroll** or **Payroll Interface**.

1. Start the Elements task.
2. Search for and select the US Taxation element.
3. Enter **1/1/1901** as the effective as-of date.
4. 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.
5. Click **Done**.

Example of Defining Element Eligibility

Here's an example of how you can use eligibility definition to configure your element behavior.

Define an On-Call Hours Element

In this example, you use element eligibility to define an "on-call hours" element that applies to multiple jobs.

1. Complete the element template, and navigate to the Element Summary page.
2. To make this element available to only your employees with a job title of Security Specialist or Security Manager, set up two eligibility records on the **General Information** tab.
    - One indicating this element is available for employees with a job title of Security Specialist
    - Another indicating this element is available for employees with a job title of Security Manager
3. Assign different rate calculations to your Security Specialists and Security Managers.
    a. Select **Input Values** for each of the eligibility records you defined.
    b. For the Security Specialist eligibility record, you want to pay double their regular rate. Insert a default multiple of **2**.
    c. For the Security Manager eligibility record, you want to pay triple their regular rate. Insert a default multiple of **3**.
4. Cost each "on-call hours" payment differently for each eligibility record.

a. Select **Costing** for each of the eligibility records you defined.
b. For each employee type, specify the appropriate General Ledger account number segment.

Absence Elements

Define Absence Elements for the US

To calculate and process absence payments, you need to define Absence elements.

When you define them, consider the following.

- What type of absence info do you want transferred to payroll
- What kinds of elements you can use
- How to define an absence element
- What indirect elements the template creates
- How you set element eligibility
- How you cost the element
- How you link the element to the absence plan

How Absence Info Is Passed to Payroll

This describes what happens when you select a specific type of absence info to transfer to payroll.

Type of absence info	What it's for	Examples
Accrual Balances	Used for tracking purposes and maintain time-off balances for employees based on certain criteria.	Select this option for a vacation accrual plan that isn't processed through payroll. The Statement of Earnings (SOE) wouldn't include this leave.
Accrual Balances and Absences	Used tracking purposes to maintain time-off balances, but they have an absence payment component related to the accrual.	Select this option for a vacation accrual plan that's processed through payroll. The SOE would show this leave separately.
Qualification Absences	Typically triggered by an event, such as having a baby.	Select this option for a maternity plan that's processed through payroll. The SOE would show this leave separately.
No Entitlement Absences	Usually for tracking unpaid absences, and there is no accrual balance maintained.	Select this option for a no entitlement leave plan that's processed through payroll. The SOE would show this leave separately.

What Kinds of Elements Can You Use

An absence plan can support these kinds of elements.

Element Type	Description
Basic Absence Earnings	This element is used for the regular payment of an absence, such as vacation or PTO time. Also use this for payment of longer periods of absences, such as a maternity leave or short-term disability.
Absence Discretionary Disbursement Earnings	Some absence plans support discretionary disbursement for unused absence balances. You can elect to pay the discretionary disbursement by answering **Yes** to the partial payment of balance question when creating your base absence element. Select which payment rate and which taxation method to use with this discretionary payment.
Absence Final Disbursement Earnings	Some absence plans permit final disbursements or pay out at employment termination. Elect to pay the final disbursement by answering **Yes** to the enable balance payments when enrollment ends question when creating your base absence element. Select which payment rate and which taxation method to use with this final payment.
Unpaid Absences	When defining the element for any unpaid absence attached to an absence plan, select the following in the element template: • Select **No Entitlement Absence** when transferring absence info to payroll. • Select **Select rate to determine absence deduction amount** • Leave the following rate fields blank. o Rate to Determine Absence Deduction Amount o Which rate should the absence payment calculation use? By leaving these blank on a No Entitlement Absence, the payroll process reduces the salary by the regular pay rate of the employee. This creates the unpaid absence. The unpaid earnings appear on the payslip and statement of earnings.

How You Define the Absence Element

The options you select when you define the absence element determine which indirect elements, balances, formulas, and calculation components the template generates.

For further info, see Define Payroll Elements for Processing Absences for the US in the Help Center.

To create an absence element:

1. From **My Client Groups**, click **Show More**.
2. In **Payroll**, click **Elements**.
3. Click **Create**.
4. Select a US legislative data group (LDG).
5. Select **Absences** as the primary classification.
6. Select a secondary classification based on the type of absence you're creating.
    - Maternity
    - Sickness
    - Vacation
    - Other
7. Click **Continue**.

8. Enter the following.

Field name	How you use it
Name	Name of the absence element.
Reporting Name	Name of the absence element as displayed on reports.
Description	Description of the absence element.
Effective Date	Effective date of the absence element.
Input Currency	Currency of the absence element.

9. Select the calculation units.

> **Note:** If you select **Days**, and the absence payment for this element is subject to overtime rules, you must:
>
> a. Create a fast formula for conversion to hours.
> b. Select the work units conversion rule related to these calculation units.

10. Select the types of absence info that you want transferred to payroll.
    - Accrual Balances
    - Accrual Balances and Absences
    - Qualification Absences
    - No Entitlement Absences
11. Click **Next**.
12. Enter the following additional details.
    a. Select the appropriate absence payment option for reducing regular earnings for salaried employees.

Payment option	How you use it
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: - Is at a different payment rate than your salary reduction In this case, use the associated fields to select the rates to set the following for the absence calculation. - Absence deduction amount

Payment option	How you use it
	○ Absence deduction rate For further info, see Set Absence Payment Rates for the US in the Help Center. - Is an unpaid absence In this case, you must configure that unpaid absence. For further info, see What Kinds of Elements Can You Use above.

b. Select the absence payment rate.

   Leave blank if you're using the base rate.

c. Select how you want the absence payment to be taxed.

d. Select whether to calculate the absence liability.

   If you select **Yes**, do one of the following.

   - Select the liability rate you defined through the Rate Definitions task.
   - Provide an empty value to use the rate calculation based on the basic salary.

e. Select the appropriate balance payment options.

For this question	What you do
Does this plan enable balance payments when enrollment ends?	i. Select **Yes** to configure a final disbursement element and to maintain balances for the disbursement hours and payments. ii. Select a rate to use for the calculation. Leave blank to use the basic salary rate. iii. Select the taxation method.
Does this plan enable partial payment of balance?	i. Select **Yes** to configure a discretionary disbursement element and to maintain balances for disbursement hours and payments. ii. Select a rate to use for the calculation. Leave blank to use the basic salary rate. iii. Select the taxation method.

f. Select whether this absence is subject to overtime calculations.

13. Click **Next**.
14. Review the options you selected, and then click **Submit**.

When you define the absence element, the Elements task also creates the required indirect elements, balances, formulas, and calculation components.

If you have standard earnings and absence elements in the same payroll run that reduce regular earnings, the payroll calculation reduces earnings in this sequence.

1. Using absence element entries
2. Using any standard earnings elements that reduce regular earnings

The salary balance isn't reduced beyond 0.

What Are the Indirect Elements for Absences

When you submit the element definition, the template creates a base and retroactive pay element, as well as related balances, formulas, and calculation components. It also creates related elements, such as results and calculator elements.

The template also creates additional elements, depending on the options selected in the template to transfer absence info, as shown here.

Element name	What they do
<Absence name>	This is the element you created for the absence plan.
<Absence Name> Accrual <Absence Name> Accrual Calculator <Absence Name> Accrual Results	These indirect elements: 1. Get absence accrual info from Oracle Fusion Absence Management 2. Process liability
<Absence Name> Entitlement <Absence Name> Entitlement Calculator <Absence Name> Entitlement Results	These indirect elements: 1. Get absence accrual info from Oracle Fusion Absence Management 2. Process absence payments and deductions
<Absence Name> Entitlement Retro	This indirect element processes absence payments and deductions during retroactive processing.
<Absence Name> Discretionary Disbursement <Absence Name> Discretionary Disbursement Calculator <Absence Name> Discretionary Disbursement Results	These indirect elements: 1. Get partial payment info from Oracle Fusion Absence Management 2. Process these disbursements
<Absence Name> Discretionary Disbursement Retro	Indirect element used to process partial payment disbursements in retroactive processing.
<Absence Name> Final Disbursement <Absence Name> Final Disbursement Calculator <Absence Name> Final Disbursement Results	These indirect elements: 1. Get final payment info from Oracle Fusion Absence Management, such as upon employee termination 2. Process these disbursements
<Absence Name> Final Disbursement Retro	This indirect element processes final payment disbursements during retroactive processing.

How to Set Element Eligibility

You must create element eligibility for the base, accrual, retroactive, and entitlement elements. For the elements you define through the element template, do this during element definition. For the indirect elements automatically generated, use the Elements task.

1. Search for and select the appropriate element.
2. In **Element Overview**, select **Element Eligibility**.

3. Select **Create Element Eligibility** from the **Actions** menu.
4. Define the element eligibility.
5. Click **Submit and Done**.

How to Cost Absence Elements

You must create costing element eligibility if you post absence payments to the general ledger. You must create 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

Determine how to cost element eligibility records, including which type of costing to apply and which input value to cost. Determine which account numbers to specify for the cost account segments, such as the natural account, and which offset account balances the cost account.

For further info, see Global Human Resources Payroll Costing Guide (1918574.1) on My Oracle Support.

How to Link to the Absence Plan

For the absence plan to share its absence payment info with the payroll process, you have to link it to your absence element.

When you create the plan:

1. Select the absence element in **Entries and Balances** on the Create Absence Plan page.
2. Select **Transfer absence payment info for payroll processing**.

Related Topics

- Define Payroll Elements for Processing Absences for the US
- Overview of Absence Management for the US
- Set Absence Payment Rates for the US
- Set Up Absence Plans for the US

Define Payroll Elements for Processing Absences

To calculate and process absence payments, you need to define Absence elements.

Defining an Absence element involves:

1. Defining the element
2. Completing the absence detail questions
3. Completing the accrual liability and balance payment questions
4. Completing the absence payment questions
5. Submitting the element
6. Defining element eligibility records and cost distributions

For further info, see Define Absence Elements for the US in the Help Center.

Define an Absence Element

Use the Elements task. Select the Absence primary classification and one of these secondary classifications.

- Maternity
- Sickness
- Vacation
- Other

Complete the Absence Detail Questions

The questions in **Absence Details** of the element template help determine the more detailed questions it asks later.

1. Enter the calculation units to use when reporting the absence, such as on the payslip and statement of earnings.
   Typically, select **Days** or **Hours** for reports that correspond to the units for your absence plan.
2. Select the work units conversion rule to calculate the absence rate.
3. Select the absence info to transfer to payroll based on the type of absence management plan.

This type of plan	Transfers this kind of info
Accrual	Accrual Balances
Accrual, Leave Donation, Compensatory	Accrual Balances and Absences
Qualification	Qualification Absences
No Entitlement	No Entitlement Absences

Complete the Accrual Liability and Balance Payment Questions

If you're going to transfer accrual balances, complete these questions.

Question	Steps
Calculate absence liability?	1. Select **Yes** if you calculate liability. 2. Select a liability rate. Leave blank if the liability rate is the same as the absence payment rate. 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?	1. Select **Yes** to configure a final disbursement element and to maintain balances for the disbursement hours and payments. 2. Optionally, select a rate to use for the calculation.

Question	Steps
	3. Select the tax method to use for the final disbursement.
Does this plan enable partial payment of balance?	1. Select **Yes** to configure a discretionary disbursement element and to maintain balances for disbursement hours and payments. 2. Optionally, select a rate to use for the calculation. 3. Select the tax method to use for the discretionary disbursement.

Complete the Absence Payment Questions

Answer these questions on how you want to handle the absence payments.

1. Select a method to reduce regular earnings if:
    - Employees don't complete a time card
    - You don't use time card entries as a basis for calculating pay

Value name	What it does
Reduce regular earnings by absence payment	Reduces regular earnings by the absence payment. The employee is paid the same gross amount as their regular salary.
Select rate to determine absence deduction amount	Identifies when the employee isn't due to be paid for the absence at the same rate as their regular earnings. In this case, the regular earning is reduced by 100% of the regular earnings. However, the absence payment rate would be a different rate, such as 50%.

2. Select the tax method to use for the absence payment.
3. Optionally, select a rate to calculate the absence payment.

If you have standard earnings and absence elements in the same payroll run that reduce regular earnings, the payroll calculation reduces earnings in this sequence.

1. Using absence element entries
2. Using any standard earnings elements that reduce regular earnings

The salary balance isn't reduced beyond 0.

Submit the Element

When you're finished with the questions, you submit the element. The template automatically configures a base pay element, balances, formulas, and calculation components.

It also configures indirect elements, depending on the options selected in the template to transfer absence info.

When transferring this info	For these options	It creates these indirect elements
Accrual Balances	• Discretionary Disbursements • Final Disbursements	• Accrual • Discretionary Disbursement • Final Disbursement

When transferring this info	For these options	It creates these indirect elements
Accrual Balances and Absences	• Discretionary Disbursements • Final Disbursements	• Accrual • Entitlement • Discretionary Disbursement • Final Disbursement
Qualification Absences	none	Entitlement
No Entitlement Absences	none	Entitlement

Define Element Eligibility Records and Cost Distributions

Define element eligibility records for all the elements generated by the template, such as for your accrual, entitlement, discretionary and final disbursement elements.

If your enterprise calculates cost distributions, provide costing info for all the element eligibility records.

For example, for an accrual element:

1. Define element eligibility records for the accrual, accrual results, accrual retroactive, and accrual retroactive results elements.
2. Specify costing for the accrual results and retroactive results elements.

The costing process costs the change in the liability balance since the last payroll period, debits the expense account, and credits the liability account.

Related Topics

- Define Absence Elements for the US
- Rates Used to Calculate Absences in Payroll
- Element Costing Options
- Define Payroll Elements for an Absence Accrual Plan for the US

Define Payroll Elements for an Absence Accrual Plan

In this example, you want to define an absence element for a vacation accrual absence plan.

Based on your setup decisions, this procedure configures the following additional elements.

- Accrual element to process absence liability amounts
- Entitlement element to process payments for absence during vacation
- Discretionary Disbursement element to process disbursement of partial time accruals
- Final Disbursement element to process accrual disbursement when the absence plan enrollment ends

The name of the element is prefixed to each additional element.

Here's a list of the key decisions you make for this scenario.

Decision to consider	What you will use
What type of an absence are you transferring to payroll?	Accrual balances
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 calculate deductions for paid absences for employees not requiring a time card? • Reduce regular earnings by the amount of the absence payment so that the worker doesn't get paid twice? • Select a rate to determine the absence deduction amount?	Reduce regular earnings by absence payment

Prerequisites

Before you begin, make sure you configured a rate definition to determine the monetary value of a unit of absence.

Depending on your enterprise, configure separate rates to calculate liability, discretionary disbursement, and final disbursement payments. You configure a rate definition using the Rate Definitions task.

Define an Absence Element

1. From **My Client Groups**, click **Show More**.
2. In **Payroll**, click **Elements**.
3. Click **Create**.

4. Complete the following fields.

Field name	What you enter
Legislative Data Group	Select your US legislative data group.
Primary Classification	Absences
Secondary Classification	Select an appropriate value for your legislation, such as **Vacation**.
Category	Absence

5. Click **Continue**.
6. Complete the following.

Field name	What you enter
Name	Vacation Payment
Reporting Name	Vacation Payment

7. In **Absence Plan Details**, complete the following.

Field name	What you enter
What type of absence information do you want transferred to payroll?	Accrual Balances and Absences
What calculation units are used for reporting?	Days

8. Click **Next**.
9. In **Accrual Liability and Balance Payments**, complete the following.

Field name	What you enter
Calculate absence liability?	Yes
Which rate should the liability balance calculation use?	Leave blank

Field name	What you enter
	Note: The payroll process uses the employee's regular salary rate for the liability calculation.
Does this plan enable balance payments when enrollment ends?	Yes
Which rate should the final balance payment calculation use?	Final disbursement rate
How do you want the payout amount to be taxed?	Regular
Does this plan enable partial payment of the balance?	Yes
Which rate should the discretionary disbursement use?	Discretionary disbursement rate
Which taxation method should the discretionary disbursement payment use?	Regular

10. In **Absence Payments**, complete the following.

Field name	What you enter
How do you want to reduce earnings for employees not requiring a time card?	Reduce regular earnings by absence payment.
Which rate should the absence payment calculation use?	Absence payment

11. Click **Next**.
12. Review the info you entered so far.
13. Click **Submit** to open the Element Summary page.

The template generates all the related elements, balances, and formulas.

Define Element Eligibility

1. In **Element Overview** of the Element Summary page, select **Element Eligibility**.
2. Select **Create Element Eligibility** from **Actions**.
3. In **Element Eligibility**, enter `Vacation Payment Open` as the **Element Eligibility Name**.

   Leave the rest of the fields on the page blank.
4. Click **Submit**.
5. Click **Done**.
6. Search for the other elements prefixed with your absence element name.
7. Select each element in turn and repeat these steps on the Element Summary page to define eligibility for each element.

Related Topics

- Overview of Absence Management for the US
- Process and Administer Absences for the US
- Set Up Absence Plans for the US

Earnings Elements

How Do I Define Earnings Elements for the US

You define earnings elements using the Elements task. Like any standard element, you must create eligibility criteria for them.

The earnings element template provides an intuitive workflow for defining the element. However, there are some things to consider before you define them.

- What options you select in the element template

  For further info, see What Earnings Options Are Available in the Element Template in the Help Center.
- Does this element apply to time card eligible employees

  For further info, see How Do I Configure Earnings Elements for Time Card Employees in the Help Center.
- Should the payroll process perform gross-up for the earnings

  For further info, see How Do I Enable Gross-Up Processing for an Earnings Element in the Help Center.
- Is this an overtime earnings element

  For further info, see How Do I Define Overtime Earnings Elements in the Help Center.
- What indirect elements are generated for this earning

  For further info, see How Are Indirect Elements Created for Earnings Elements in the Help Center.
- How will the payroll process tax these earnings

  For further info, see How the Payroll Process Calculates Taxes for Earnings in the Help Center.

For further info, see Examples of Creating Earnings Elements for the US in the Help Center.

What Earnings Options Are Available in the Element Template

The Elements task provides these options for configuring earnings elements.

- Involuntary deductions eligibility

  For further info, see How Do I Set Involuntary Deductions Eligibility for Earnings in the Help Center.
- Rate calculation rule

  For further info, see How Do I Select the Rate Calculation Rule for an Earnings Element in the Help Center.
- Rate conversion rule

  For further info, see What Rate Conversion Rules Can I Select for Earnings in the Help Center.
- Retroactive pay eligibility

  For further info, see Retroactive Pay Eligibility for Earnings in the Help Center.
- Absence entitlements to reduce regular earnings

  For further info, see How Do I Reduce Regular Earnings with Absence Entitlements in the Help Center.
- Date earned

  For further info, see How Do I Identify the Date Earned on an Earnings Element in the Help Center.

How Do I Set Involuntary Deductions Eligibility for Earnings

When you define an earnings element, the element template provides an option for choosing how to process and pay the element. For these elements, this setting affects how the process calculates involuntary deductions.

For this template setting	The process does this for the earnings	And this for the involuntary deduction
Process and pay with other earnings	Calculates the earnings in the regular run. In this case, the process uses regular tax rates.	Deducts the involuntary deduction order or the calculated amount and applicable fees from the regular process run.
Process separately, but pay with other earnings	Calculates and taxes the earnings through a separate payroll action, but it's paid with the other earnings. They appear as single entries in the Statement of Earnings and payslip. In this case, the payroll process uses supplemental tax rates. For supplemental runs, earnings are always taxed at the supplemental rate. Use this setting for earnings that require special tax rules, such as bonuses.	Deducts the order amount from the regular process only. It's not deducted again from the process separate run unless the order amount hasn't been fully satisfied in the regular run. The exception to this is for order amount overrides entered as a rate. For these cases, the amount is deducted from both the regular and process separate runs. Any applicable fees are deducted from the regular process only.

For this template setting	The process does this for the earnings	And this for the involuntary deduction
Process separately and pay separately	Each earning is processed in a separate payroll action. They are paid separately from other earnings and appear as separate Statement of Earnings and payslip entries. In this case, the payroll process uses supplemental tax rates. For supplemental runs, earnings are always taxed at the supplemental rate.	Not recommended for earnings that are subject to involuntary deductions.

How Do I Select the Rate Calculation Rule for an Earnings Element

When using the Elements task to define earnings, you can choose from one of these calculation rules.

- Factor
- Flat Amount
- Hours * Rate

  The payroll process uses one of these methods to derive the rate.
  - Employee's salary basis
  - Through element entry

  > **Note:** To ensure proper overtime calculation, the Standard Earnings of Premium secondary classification must use the Hours * Rate rule.

- Percentage of Earnings

What Rate Conversion Rules Can I Select for Earnings

When defining earnings elements in the Elements task, you can select specific formula rules to manage rate conversions. These rules apply to earnings classification elements, including standard, supplemental, absence, and time elements.

You can set conversion rules for these element attributes.

Element attribute	You can select a rate conversion rule
Periodicity	When you use the flat amount or hours * rate calculation rule.
Proration	When you make the element subject to proration.
Work Unit	When you select hourly work units for a standard or supplemental earnings element.

Element attribute	You can select a rate conversion rule

For further info, see Rate Conversion Rules for the US in the Help Center.

Retroactive Pay Eligibility for Earnings

Retroactive pay is compensation you issue to a person in the current pay period due to an adjustment you made in a previous one. Because of this, you need to perform a recalculation using the Recalculate Payroll for Retroactive Changes process.

What happens when you run this process

Here's what happens when you run this process.

1. It determines which payroll runs are affected.
2. It recalculates them to find the changes.
3. It brings those changes into the current period.

How you set retroactive pay eligibility for earnings

During earnings element definition, the template includes a question that identifies retroactive pay processing eligibility for the element. If you enable retroactive processing, the template:

1. Associates the retroactive pay event with the element
2. Generates the appropriate indirect elements

   For further info, see Indirect Elements for the US in the Help Center.

How Do I Reduce Regular Earnings with Absence Entitlements

When defining an Absence element, the element template provides a prompt for reducing regular earnings. By selecting **Yes**, you can reduce the regular earnings with the absence entitlement calculation.

This setting reduces only earnings and hours for elements attached to a salaried salary basis where no time cards are used.

For example, a salaried employee reports 16 hours of vacation time-off this pay period. You pay them on a biweekly schedule.

This is what the employee's Statement of Earnings would look like if regular earnings are reduced. The sum of hours worked and not worked equals the regular hours.

Earnings Type	Hours	Amount
Regular Salary	64	$6400
Vacation Pay	16	$1600

Earnings Type	Hours	Amount

However, this is what the employee's Statement of Earnings would look like if the regular earnings weren't reduced.

Earnings Type	Hours	Amount
Regular Salary	80	$8000
Vacation Pay	16	$1600

How Do I Identify the Date Earned on an Earnings Element

The Elements task creates the Date Earned input value for all nonrecurring element entries, such as for overtime earnings elements.

Use this input value to capture the date the earnings were earned. When provided, the payroll process doesn't use proration and allocation.

If you don't provide a Date Earned, the payroll process distributes the entry across all applicable overtime periods within the pay period. If there are multiple overtime periods within the payroll period, the US proration formula ensures the results are allocated against the overtime period that spans the date earned.

How Do I Configure Earnings Elements for Time Card Employees

When defining an earnings element in the Elements task, this is how you configure it for time card employees.

1. Define the earnings element using the **Time Card** category.
2. To use the element for tagging purposes, run the Oracle Fusion Time & Labor Generate Data Dictionary Time Attributes process.
3. If you allocate time entry hours to different work jurisdictions, set up your time card layout to allow for these entries.

For further info, see How Do I Configure Time Cards for Payroll Processing in the Help Center.

How Do I Enable Gross-Up Processing for an Earnings Element

You can perform net-to-gross processing of earnings elements. The payroll process calculates the gross amount required to meet the net pay. You select which taxes and other deductions you're willing to pay by selecting the balances used during net-to-gross processing.

When defining earnings of Standard or Supplemental types, the template provides a question that enables net-to-gross processing.

Federal, state, and local levels of taxes are available for inclusion or exclusion.

For further info, see How the Payroll Process Calculates Net-to-Gross Earnings for the US in the Help Center.

How Do I Define Overtime Earnings Elements

The earnings of nonexempt employees are subject to overtime calculations. There are some things you should consider before you define the earnings element.

- Naming the element

  For further info, see What Are the Special Naming Rules for Overtime Elements in the Help Center.
- Calculating earnings for nonexempt employees

  For further info, see How Nonexempt Employees Affect Earnings Calculations in the Help Center.
- Configuring the element for overtime calculations

  For further info, see How to Configure Earnings Elements for Overtime Calculations in the Help Center.
- Choosing a premium calculation rate rule

  For further info, see How Do I Select the Premium Calculation Rate Rule for Overtime Elements in the Help Center.
- Allocating earnings

  For further info, see How the Payroll Process Allocates Overtime Earnings in the Help Center.
- Calculating overtime for time card employees

  For further info, see How the Payroll Process Calculates Overtime for Time Card Employees in the Help Center.

For further info, see Human Resources Cloud Implementing Payroll Overtime Rates for the United States on the Help Center.

What Are the Special Naming Rules for Overtime Elements

When creating an overtime earnings element, don't use **Overtime** as part of the element or reporting name. Overtime is a reserved term, and including it in user-defined elements would interfere with balance initializations.

How Nonexempt Employees Affect Earnings Calculations

When you set a job as nonexempt, it changes how the payroll process calculates Standard Earnings elements of the Premium secondary classification.

The process includes the employee's assignment Overtime Period in its calculations. It doesn't affect the payroll calculations of elements with Overtime secondary classification.

The payroll process determines if an employee is eligible for overtime according to the exempt or nonexempt status of their job. You set a job's status with **Status** in the United States Job Information section of the Jobs task. For further info, see Human Resources Cloud Implementing Payroll Overtime Rates for the United States in the Help Center.

How to Configure Earnings Elements for Overtime Calculations

Your selections during earnings element definition determine its eligibility for overtime calculations.

This template prompt	Does this
Should this element be included in the earnings calculation of the overtime base rate?	Determines how the payroll process calculates the overtime base rate. Selecting **Yes** creates a balance feed to the Overtime Earnings predefined balance.
Should this element be included in the hours calculation of the overtime base rate?	Hours worked represents the total number of hours an employee worked during a pay period. Selecting **Yes** creates a balance feed to the Overtime Hours predefined balance.

How Do I Select the Premium Calculation Rate Rule for Overtime Elements

When defining Standard earning elements of Premium secondary classification, the Elements task requires you select an Overtime calculation rate rule.

Calculation rate rule	What it does
Blended Rate	Bases the rate on the calculation of the employee's gross hourly rate. Determined by dividing the Overtime earnings by Overtime hours.
Higher of Blended or Normal Rate	Uses either the blended rate or the normal rate, whichever is higher. The normal rate is defined either on the salary basis or through element entry input values.

The blended rate differs from regular rate only when the employee is paid with supplemental earnings, such as bonus or commission.

How the Payroll Process Allocates Overtime Earnings

Allocation is the process of attributing income to the overtime period during which it was earned, even if the payroll run spans multiple overtime periods.

For example, a payroll run includes two overtime periods: January 01 to 07 and January 08 to 14. The Date Earned for the element entry is January 08. Therefore, the payroll process creates no results for January 01 through 07, and instead, it allocates the overtime earnings to January 08 through 14.

If you don't specify an Earned Date, then the payroll process allocates the total overtime amount between the overtime periods.

The process determines the number of allocated Overtime Periods for the assignment and pay period based on the calendar days. Then it allocates the earnings accordingly. A pay period can have several contributing overtime periods with a length of any number of days.

How the Payroll Process Calculates Overtime for Time Card Employees

You identify employees that must submit a time card through the **Time Card Required** check box. This check box is available on the Payroll Relationship and New Hire tasks.

This includes hourly paid and nonexempt workers.

When selected, and you have attached the earnings element to a salary basis, the payroll process doesn't process the salary element. Instead, the employee is paid through nonrecurring time card entries. The payroll process derives the worker's hours from your time reporting application, such as Oracle Fusion Time and Labor or a third-party interface.

If you didn't select the check box, the payroll run processes the salary element.

How Are Indirect Elements Created for Earnings Elements

During the creation of your elements, depending on the options you selected, the element template may automatically create related indirect elements. For further info, see Indirect Elements for the US in the Help Center.

Related Topics

- How Do I Define Earnings Elements for the US
- Indirect Elements for the US

How the Payroll Process Calculates Taxes for Earnings

How you configure your earnings can impact how the payroll process calculates the taxes. Here's some things to consider are you're define your earnings elements.

- Setting tax annualization

  For further info, see Tax Annualization for Standard Earnings in the Help Center.
- Distributing earnings across work locations

  For further info, see Earnings Distribution Across Work Locations in the Help Center.
- Configuring supplemental earnings to process and pay with other earnings

For further info, see How do I use the Taxation Type input value? in the Help Center.

- Taxing wages cumulatively

  For further info, see How do I set up cumulative wage taxation? in the Help Center.
- Understanding regular and supplemental payroll runs

  For further info, see What's the Difference Between Regular and Supplemental Runs in the Help Center.

Tax Annualization for Standard Earnings

When you define a Standard Earnings element, you can configure it to:

- Process separately but pay with other earnings
- Process separately and pay separately

If you select **Yes** for one of these options, the template asks if you want to tax the earning across multiple pay periods. If you agree, the template applies a Taxation Pay Periods input value to the element. This value sets the annualization calculation factor.

You use the Taxation Pay Periods input value to set the number of pay periods for the earnings' tax annualization.

Example of tax annualization

Here's how different values can impact federal income tax (FIT) calculations for a semimonthly pay period, assuming the employee is claiming Single / Zero and using 2018 withholding tables.

Taxation Pay Periods value	For this annualized pay amount	Performs this calculation	This is the tax withheld
Blank (pay periods determined by the payroll calendar)	$2,500 semimonthly earnings * 24 pay periods = $60,000	60,000 - 42,400 = $17,600 17,600 * 22 percent = $3,872 3,872 + 4,453.50 = $8,325.50 8,325.50 / 24 = $346.90	$346.90
9	$2,500 semimonthly earnings * 9 pay periods = $22,500	22,500 - 13,225 = $9,275 9,275 * 12 percent = $1,113 1,113 + 952.50 = $2,065.50 2,065.50 / 9 = $229.50	$229.50
18	$2,500 semimonthly earnings * 18 pay periods = $45,000	45,000 - 42,400 = $2,600 2,600 * 22 percent = $572 572 + 4,453.50 = $5,025.50 5,025.50 / 18 = $279.19	$279.19

Earnings Distribution Across Work Locations

For employees working in multiple locations, you must ensure the correct amount of work is attributed to the appropriate jurisdictions. This can affect tax calculations.

Here are the methods you can use to distribute earnings.

Distribution method	How you do it
Tagged Earnings	Associate an earning to a specific state, county, or city through element entry. For further info, see How Do I Distribute Earnings with Tagged Earnings in the Help Center.
Employee Earnings Distribution Overrides Card	Use this calculation card to select the individual work locations and the percentage of time worked at each. For further info, see How Do I Distribute Earnings with the Employee Earnings Distribution Overrides Card in the Help Center.
Earnings Distribution by Jurisdiction	Earnings at the assignment level require no distribution, as the assignment is associated with a single jurisdiction. This is the default method.

How Do I Distribute Earnings with Tagged Earnings

Tagged earnings are earnings you associated to a locality through element entry.

You can do this at the assignment level by manual entry through the Elements task. The input values are State, County, and City. You can also associate or tag an earning through time card entries. The payroll process uses the provided values in its calculations.

When you use tagged earnings, the input values already contain the exact jurisdiction. Therefore, the payroll process doesn't derive the jurisdictions nor the distributions.

For example, you have an employee who works in four locations. Their total work hours is 40 per week, 10 hours at each location. To distribute by tagged earnings, the earnings element must allow multiple entries in a payroll period. You define separate element entries for each of the employee's work locations, entering their hours and rate.

Location	Hours per week
Texas	10
San Jose, CA	10
Los Angeles, CA	10

Location	Hours per week
Arizona	10

How Do I Distribute Earnings with the Employee Earnings Distribution Overrides Card

This calculation card lets you enter every location at which an individual employee may work. You can also specify the percentage of their time spent there.

For further info, see Employee Earnings Distribution Overrides Card in the Help Center.

For example, you have an employee who works in four locations. Their total work hours is 40 per week, 10 hours at each location. You've defined Texas as the primary work location on the employee's assignment. You would configure the Employee Earnings Distribution Overrides card to reflect distributions of 25% for San Jose, California; Los Angeles, California; and Arizona each. The remaining 25% is automatically attributed to the primary Texas location.

Location	Distribution
Texas (primary work location)	25
San Jose, CA	25
Los Angeles, CA	25
Arizona	25

How Do I Distribute Earnings with Jurisdictions

Earnings at the assignment level require no distribution, as the assignment is associated with a single jurisdiction. This is the default method.

If there isn't an Earnings Distribution Overrides card, the payroll process determines the percentage distribution for each, based on work hours.

If the total percent of earnings distribution is less than 100%, the payroll process allocates the remaining percentage to the primary work location.

For example, you have an employee who works in four locations. Their total work hours is 40 per week, 10 hours at each location. They have a single payroll relationship and three assignments, each working in Texas, California, and Arizona. Their distribution would be 10, 20, and 10 hours.

Jurisdiction	Hours	Distribution percentage
Texas (primary work location)	10	25
California	20	50
Arizona	10	25

What's the difference between regular and supplemental runs?

This table describes how regular and supplemental payroll runs calculate federal taxes, based on the default settings.

What wages are being processed	Process and pay with other?	Taxation Type input value	For this tax	Uses this calculation method for regular runs	Uses this calculation method for supplemental runs
Regular only	Yes		Federal income tax (FIT)	Annualized	N/A
	Yes		State income tax (SIT)	Default state regular	N/A
	No		FIT	Annualized	N/A
	No		SIT	Default state regular	N/A
Supplemental only	No	N/A	FIT	Tiered Flat Rate **Note:** You can override this at the payroll statutory unit (PSU) and tax reporting unit (TRU) levels.	Tiered Flat Rate **Note:** You can override this at the PSU and TRU levels.
	No	N/A	SIT	Default state supplemental **Note:** You can override this at the PSU and TRU levels if the state supports alternate methods.	Default state supplemental **Note:** You can override this at the PSU and TRU levels if the state supports alternate methods.

What wages are being processed	Process and pay with other?	Taxation Type input value	For this tax	Uses this calculation method for regular runs	Uses this calculation method for supplemental runs
	Yes	N/A You defined the elements before the input value was introduced.	FIT	Concurrent Aggregation	Tiered Flat Rate
	Yes	N/A You defined the elements before the input value was introduced.	SIT	1. Uses Concurrent Aggregation 2. If not applicable for the work or residence state, uses default state supplemental	Default state supplemental **Note:** You can override this at the PSU and TRU levels if the state supports alternate methods.
	Yes	Regular	FIT	Concurrent Aggregation	Tiered Flat Rate
	Yes	Regular	SIT	1. Uses Concurrent Aggregation 2. If not applicable for the work or residence state, uses default state supplemental	Default state supplemental **Note:** You can override this at the PSU and TRU levels if the state supports alternate methods.
	Yes	Supplemental	FIT	Tiered Flat Rate **Note:** You can override this at the PSU and TRU levels.	Tiered Flat Rate **Note:** You can override this at the PSU and TRU levels.
	Yes	Supplemental	SIT	Default state supplemental **Note:** You can override this at the PSU and TRU levels.	Default state supplemental **Note:** You can override this at the PSU and TRU levels.

What wages are being processed	Process and pay with other?	Taxation Type input value	For this tax	Uses this calculation method for regular runs	Uses this calculation method for supplemental runs
Regular and supplemental	Yes	Regular	FIT	Concurrent Aggregation	1. Tiered Flat Rate for supplemental wages **Note:** You can override this at the PSU and TRU levels. 2. Ignores regular wages
	Yes	Regular	SIT	1. Uses Concurrent Aggregation 2. If not applicable for the work or residence state, uses default state calculation method	1. Default state supplemental **Note:** You can override this at the PSU and TRU levels. 2. Ignores regular wages
	Yes	Supplemental	FIT	Tiered Flat Rate Combined **Note:** You can override this at the PSU and TRU levels.	1. Tiered Flat Rate for supplemental wages **Note:** You can override this at the PSU and TRU levels. 2. Ignores regular wages
	Yes	Supplemental	SIT	Default state method for regular and supplemental **Note:** You can override this at the PSU and TRU levels if the state supports alternate methods.	1. Tiered Flat Rate for supplemental wages **Note:** You can override this at the PSU and TRU levels. 2. Ignores regular wages

Examples of Creating Earnings Elements for the US

This example shows how to use the element template to define a regular earnings element, such as salary.

After you define the earnings element, you must create at least one eligibility record for it.

Defining an Earnings Element

1. Start the Elements task.
2. Click **Create**.
3. Complete the following fields.

Field	Value
Legislative Data Group	Your US legislative data group
Primary Classification	Standard Earnings
Secondary Classification	Regular

4. Click **Continue**.
5. Enter a name and other basic details.

   You can enter up to 50 characters for the element name. If you enter more than 50 characters, the task automatically shortens the name.
6. Respond to the following questions.

Question	Answer
Should every person eligible for the element automatically receive it?	No.
What is the earliest entry date for this element?	First Standard Earnings Date
What is the latest entry date for this element?	Last Standard Earning Date **Note:** If you select this date, you must enable proration so the calculation is correct if a person leaves prior to a pay period end date.

Question	Answer
At which employment level should this element be attached?	Assignment Level
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
Process and pay element separately or with other earnings elements?	Process and pay with other earnings

7. Click **Next**.
8. On **Additional Details**, complete the following fields.

Question	Answer
What is the calculation rule?	Flat Amount
Is this element subject to proration?	Yes
Proration Group	Entry Changes for Proration
Is this element subject to retroactive changes?	Yes
Retro Group	Entry Change for Retro
Should this element be included in the earnings calculation of the overtime base rate?	Yes
Should this element be included in the hours calculation of the overtime base rate?	Yes

9. Click **Next**.
10. Verify the info is correct.
11. Click **Submit**.
12. In **Element Overview**, select **Actions** and then **Create Element Eligibility**.
13. Enter `REGULAR SALARY ELIG` and the element eligibility name.
14. In **Eligibility Criteria**, select **All payrolls eligible**.
15. Click **Submit**.

Defining a Regular Earnings Element to Reduce Regular

To create a Regular earnings element that reduces regular:

1. Create your earnings using Standard Earnings primary classification and Regular secondary classification.
2. Change the processing priority of this element to 2100.
3. Complete the element definition, and submit.
4. Start the Balance Definitions task.
5. Set the effective as-of date.
6. For the Reduce Regular Earnings balance, create a balance feed using your base element name. Select the Pay Value input value with the **Add** option.
7. For the Reduce Regular Hours balance, create a new balance feed using your base element name. Select the Hours Worked input value with the **Add** option.

How Do I Define Supplemental Augmented Earnings

You define elements for supplemental augmented earnings, you use through the Elements task. They can be any element of Supplemental Earnings primary classification.

This involves:

1. Defining elements
2. Defining element entries
3. Processing augments

How you create the elements

To define augment elements:

1. Start the Elements task.
2. Create an earnings element with these settings.

Field name	What you enter
Primary Classification	Supplemental Earnings
Does this element recur each payroll period?	Nonrecurring
Prorate this earning across all periods during which it was earned, and consider it for overtime calculations,	Yes

Field name	What you enter
such as for commissions, bonuses, incentives, and other nondiscretionary earnings?	**Note:** When you select **Yes**, the task does the following. a. Defaults the calculation rule to Flat Amount b. Creates an indirect element named "<Base Element Name> Premium Adjustment" c. Creates two input values: Earned Start Date and Earned End Date
What is the calculation rule?	Flat amount
Is this element subject to retroactive changes?	No
Should this element be included in the earnings calculation of the overtime base rate?	Yes

3. Set these input values for the element.
    - Earned Start Date

      Must be equal to or later than the employee's hire date.
    - Earned End Date
    - Total Amount

> **Note:** Don't mark your Premium Adjustment element as **Process Separately** or **Pay Separately from other elements** when the Augment element's earned start and end dates are between the payroll period start and end dates.

4. Create an eligibility link for the <Base Element Name> Premium Adjustment element and the base supplemental element.

How you define the element entries

For earnings to be associated with a person, you must create an element entry for the eligible employees and the base augment element.

> **Note:** When you create the base augment element entry, the task automatically creates a "<Base Element Name> Premium Adjustment" element entry with the same effective start and end dates as the base augment's earned start and end date element entry values. If you leave the earned start and end date element entry values blank, <Base Element Name> Premium Adjustment uses the payroll start and end dates.

How to process augments

Once you have created the augment element, run the Recalculate Payroll for Retroactive Changes process for the payroll period in which you created the base augment element. This process picks the <Base Element Name> Premium Adjustment element and creates retroactive payment entries for the adjusted premium amount.

How Supplemental Earnings Are Calculated for Regular Runs in the US

During a Regular payroll run, the payroll process can use different taxation methods when processing supplemental earnings.

What Settings Affect Earnings Calculations

The state of the person's residence or employment can determine how the payroll process calculates their taxes.

How the Payroll Process Calculates the Taxes

The payroll process performs these steps.

1. It attempts to use the aggregation calculation method.
2. If that method isn't applicable for the employee's work or residence state, it does one of the following.
    - For Georgia, it uses the tiered flat rate tax method.
    - For Ohio, it uses the aggregation tax method.
    - For all other states, it uses the default method.

California Bonus and Stock Option Payments

California taxes the withholding rates on bonus and stock option payments at a different supplemental withholding rate than other earnings.

To support employees that earn these kinds of payments, you need to perform some additional configuration.

What you need to do	How you do it
Deploy the Element Information extensible flexfield	Use the Extensible Flexfields task.
Set the alternate rate on your Supplemental Earnings element	Use the Elements task.

The following sections describe these steps in detail.

Element Information Extensible Flexfield

Before you can create or modify Supplemental Earning elements, you must deploy the Element Information extensible flexfield.

1. Start the Extensible Flexfields task.
2. Search for the `pay%element%` flexfield code.
3. Select the search result, and click **Deploy Flexfield**.
4. Click **Done**.

Note: You can override the supplemental tax method only for supplemental earnings configured as **Process separately, but pay with other earning**. California is the only state available for selection.

Supplemental Earnings Elements

To set the alternate rate on a Supplemental Earnings element:

1. Start the Elements task.
2. Create the element, using the Supplemental Earnings primary classification and Bonus secondary classification.
3. Complete and save the element.
   In addition to saving the element, the task creates multiple indirect elements to support it.
4. Restart the Elements task, and search for the element you just created, using a wildcard at the end of the name.
   This returns the element and all associated indirect elements.
   For example, for an element named "CA Supplemental Bonus", you might use a string of `CA Supp%`.
5. Select and edit the Calculator indirect element.
6. On **Element Details**, in **Element Information EFF**, expand **Calculation Method**.
7. Enter the following.

Field name	What you enter
State	**CA**
Supplemental Tax Method	**Alternate Flat Rate**

8. Click **Done**.

California Flat-Sum Bonuses

Flat-sum bonuses earned in California require special overtime calculation. The payroll process:

- Uses a premium calculation method based on the employee's regular hours worked instead of total hours worked during the period to which the bonus applies.
- Calculates an additional premium on the bonus for each overtime hour the person worked during the pay period.

To configure elements for California flat-sum bonuses:

1. Define the Earnings element for the bonus.
    a. Start the Elements task, and click **Create**.
    b. Select your US legislative data group (LDG).
    c. Select the **Supplemental Earnings** primary classification.
    d. Select the **Bonus** secondary classification.
    e. Select the **Flat calculation rule**.
    f. Select **Yes** to the overtime rules prompts.
    g. Submit the element definition.
    h. In **Element Summary**, edit the definition in correction mode.
    i. In **Element Information**, select **CA** as the state.
    j. Select **Alternate bonus calculation method** as the premium calculation method.
    k. Click **Save and Submit**.
2. Define regular and premium overtime elements.
3. Add element entries for your flat sum bonus and overtime premium elements.

    When you do this, the Element Entries task automatically creates an additional indirect element for calculating premium overtime for the bonus. This element isn't user editable.

Involuntary Deductions

Define Involuntary Deductions for the US

Involuntary deductions consist of multiple components, each with their own configuration.

You can define these deductions at the federal level, all 50 states, Washington DC, and the territories of Puerto Rico, Guam, and the Virgin Islands.

Note: You can't process involuntary deductions for retirees.

Defining involuntary deductions involves:

1. Defining third-party payees.

    For further info, see Create Third Parties Options in the Help Center.
2. Creating third-party payment methods.

    For further info, see Create Third-Party Methods below.
3. Define involuntary deductions elements, including eligibility.

    For further info, see Define Involuntary Deduction Elements below.
4. Defining element costing info.

    For further info, see Define Element Costing Info below.
5. Creating an Involuntary Deductions card.

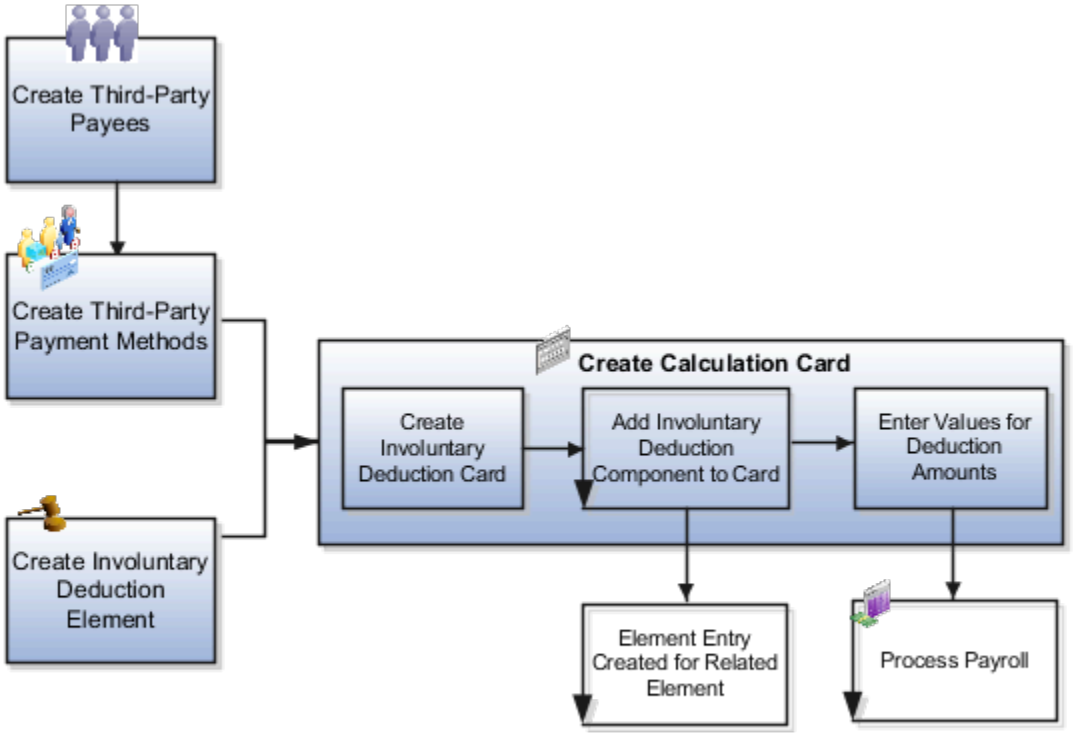
    For further info, see Involuntary Deductions Card for the US in the Help Center.

6. Creating an **Involuntary Deductions** card component.
7. Setting calculation values and calculation component details for individual Involuntary Deductions card components.

   For further info, see the following in the Help Center.

   - Add Deductions to the Involuntary Deductions Card for the US
   - Overview of Involuntary Deduction Overrides for the US

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



Support for receiving new involuntary deductions through electronic income withholding orders (e-IWO) is available. This requires separate configuration and processing. For further info, see Human Resources Cloud Administering US Electronic Income Withholding Orders on the Help Center.

Create Third-Party Payment Methods

You must identify how your involuntary deductions payments should be made to the third-party payees. The Involuntary Deductions card components link the employee to the payees. You can define payees as either individuals or organizations.

For example, you might set up direct deposit for the payee of a child support deduction.

You must set up the third-party payments before you create the card components. If the payment method doesn't have a start date before the card component date, the payee won't be visible on the card.

You can use these payments and processes with involuntary deductions.

- Third-Party Check
- EFT (CCD+ format)
- Third-Party Involuntary Payment Extract
- Involuntary payment integrations owned by ADP and Ceridian

For further info, see the following in the Help Center.

- Create Third-Party Payment Methods
- Generate Check Payments for Employees and Third Parties for the US
- Third-Party Payment Register Report for the US
- Third-Party Rollup Payments for the US

> **Note:** The Oracle HCM Cloud Third-Party Involuntary Payment Extract generates an XML file per ADP specifications. The Third-Party Involuntary Payment Interface technical brief provides a high-level description of this interface. The involuntary payment integrations owned by suppliers like ADP and Ceridian consume the payslip XML. For further info on these processes, refer to their product documentation. For further info see, Oracle Cloud Human Capital Management for the United States: Third-Party Involuntary Payments Interface (2043941.1) on My Oracle Support.

For info on loading third-party organizations, refer to Using Customer Data Management (CDM) for CX Sales and B2B Service in the Help Center. Review the About Import Management Documentation and Import Your Organization Data help topics.

Define Involuntary Deductions Elements

You define an involuntary deduction element for each involuntary deduction type you process.

Secondary element classifications identify the involuntary deduction type. Here are the classifications you can use.

This secondary classification	Works at this level	This is what it does
Alimony	Regional	Support payment made according to an involuntary deduction order to the person's former spouse. For further info, see Alimony Deductions for the US in the Help Center.
Bankruptcy Order	Federal	Federal court procedure that helps individuals get rid of their debts and repay their creditors. When an individual declares bankruptcy, a trustee of the federal court generally handles the payments to the individual's creditors. For further info, see Bankruptcy Order Deductions for the US in the Help Center.
Child Support	Regional	Payment a noncustodial parent makes as a contribution to the cost of raising their child.

This secondary classification	Works at this level	This is what it does
		For further info, see Child Support Deductions for the US in the Help Center.
Creditor Debt	Regional	Involuntary deduction ordered against the subject of a successful lawsuit. When a creditor, lender, debt collector, attorney, or other party wins the lawsuit a judgment is made to withhold earnings. Those earnings are used to pay the third party. **Note:** You can usually use the Garnishment and Creditor Debt classifications interchangeably. However, there are some exceptions. Some states prohibit multiple involuntary deductions of this secondary classification to process at the same time. The payroll process enforces this rule if the employee has multiple components of the same state and secondary classification on their card. For further info, see Creditor Debt Deductions in the Help Center.
Debt Collection Improvement Act (DCIA)	Federal	Agencies are given authority to administratively garnish for debts owed to the US government. Examples of federal debts collected according to this federal process are defaulted loans administered by: • Federal Housing Administrations • Veterans Housing Administration • Housing and Urban Development • Student loans administered directly by the US Department of Education • Social Security Administration For further info, see Debt Collection Improvement Act Deductions in the Help Center.
Educational Loan	Federal	Delinquent loan for education granted according to the Federal Direct Loan Program or Federal Family Education Loan Program. For further info, see Educational Loan Deductions in the Help Center.
Employee Requested	Regional	Agreement made between the employee and creditor after a debt was incurred. Not all states allow this. For further info, see Employee Requested Deductions for the US in the Help Center.

This secondary classification	Works at this level	This is what it does
Garnishment	Regional	Wage garnishment occurs when an employer is required to withhold the earnings of an employee for the payment of a debt. The garnishment is in accordance with a court order or other legal or equitable procedure. **Note:** You can usually use the Garnishment and Creditor Debt classifications interchangeably. However, there are some exceptions. Some states prohibit multiple involuntary deductions of this secondary classification to process at the same time. The payroll process enforces this rule if the employee has multiple components of the same state and secondary classification on their card. For further info, see Garnishment Deductions for the US in the Help Center.
Regional Tax Levy	Regional	Legal seizure of taxpayers' assets to satisfy back income taxes owed. Not all states allow regional tax levies. For further info, see State Tax Levy Deductions in the Help Center.
Spousal Support	Regional	Court-ordered payment for support of a former spouse or a spouse while a divorce is pending. For further info, see Spousal Support Deductions for the US in the Help Center.
Tax Levy	Federal	According to federal law, a tax levy is an administrative action by the IRS empowered by statutory authority. This authority permits the IRS, without going to court, to seize property to satisfy a tax liability. For further info, see Federal Tax Levy Deductions in the Help Center.

To define an involuntary deductions element:

1. From **My Client Groups**, click **Show More**.
2. In **Payroll**, click **Elements**.
3. Create an element using the Involuntary Deduction primary classification.
4. Select an appropriate secondary classification.

5. Answer the questions on each page of the Create Element flow.

   When defining deductions of Tax Levy type, select **No** for **Processing stop when the total is reached**. There could be additional penalties and interest due. A federal tax levy should continue to deduct until it has been released.

   When selecting the duration rule for the latest entry date, select **Final Close**. This allows the payroll process to process the deduction for any payments after the employee termination.
6. Define eligibility for the element. To define open eligibility, enter a name for the element eligibility record but don't specify any criteria.
7. Save your work.

   The task automatically creates all associated balances, feeds, values, formulas, and related elements required for payroll processing. It also creates a calculation component that you can add to an employee's involuntary deductions card.

Define Element Costing Info

When you define an involuntary deductions element, one or more related indirect elements are also created. For further info, see Indirect Elements for the US in the Help Center.

Create element eligibility records for the base and results elements and cost the values for the results elements.

For this deduction type	Cost these elements' eligibility records	Cost this Value
Fees	Organization Fee Results Person Fee Results Processing Fee Results	FeeCalculated
All others	Results	DeductionsCalculated

To cost your involuntary deductions elements:

1. From **My Client Groups**, click **Show More**.
2. In **Payroll**, click **Elements**.
3. Create element eligibility records for the base element.
4. Search for each results element.
   - <base element name> Organization Fee Results
   - <base element name> Person Fee Results
   - <base element name> Processing Fee Results
   - <base element name> Results
5. Select each element, and create eligibility records for it.
6. Click **Costing**, and set up costing for the element eligibility records.

For further info, see Element Eligibility for the US in the Help Center.

Perform a Mass Load of Involuntary Deduction Data

You can use HCM Data Loader to upload involuntary deduction data. For further info, see Loading US Data Using HCM Data Loader (2558276.1) on My Oracle Support.

For info on loading third-party organizations, refer to Using Customer Data Management (CDM) for CX Sales and B2B Service in the Help Center. Review the About Import Management Documentation and Import Your Organization Data help topics.

Related Topics

- Involuntary Deduction Wage Basis Rules for the US
- Involuntary Deductions Card for the US
- Legislative Rule Overrides for Involuntary Deductions for the US
- Third-Party Payment Methods
- Overview of Involuntary Deduction Overrides for the US

How the Payroll Process Calculates Involuntary Deduction Payroll Run Results for the US

When calculating involuntary deductions, the payroll process generates multiple run result values to assist you in understanding what calculations were made during the payroll run.

Run Result Values

These are the involuntary deduction results values.

Run result	What it means
ActualOrderAmount	Order amount you entered on the Involuntary Deductions card component. This represents the override value.
AvailableCBEarnings	Not used.
AvailableEarnings	Amount of available earnings calculated by the payroll process. View the run result values of the calculator element to see the disposable income for the period (DisposableIncome) and for the run (DisposableIncome_run).
DeductionsCalculated	Amount of the involuntary deduction calculated by the payroll process. Shows the actual amount deducted in the payroll run.
OrderNumber	Reference code entered on the Involuntary Deductions card component.
ProtectedPayAmt	Amount of protected pay calculated by the payroll process.
ReferenceCode2	Element entry ID value generated from the Involuntary Deductions card component.

Run result	What it means
ThirdPartyPayee	Internal ID of the third-party payee for the order amount.
TotalOwedAmount	Total owed amount entered on the Involuntary Deductions card component. This represents the override value on the card component, if you entered one.
l_area1	Numeric state geocode.

These are the processing fee results values.

Run result	What it means
FeeCalculated	Amount of the fee calculated by the payroll process.
OrderNumber	Reference code entered on the Involuntary Deductions card component.
ReferenceCode2	Element entry ID value generated from the Involuntary Deductions card component.
State	Two-character state code.
ThirdPartyPayee	Internal ID of the third-party payee for the processing fee.

These are the result values specific to the calculator element.

Run result	What it means
OrderNumber	Reference code entered on the **Involuntary Deductions** card component.
CalculatedOrderAmt	Amount calculated for the involuntary deduction. This result isn't the final calculated deduction amount.
ProrationRule	Support orders use the Prorate rule. The ProrationCalcRule run result shows the hierarchy rule. For all other deduction types, this can be: • Divide Equally • First Come First Serve • Prorate
ProtectedPayAmt	Amount of protected pay calculated by the payroll process.

Run result	What it means
CalculationInfo1	Info related to total owed balances, calculation rules, multiples allowed rule, the not allowed rule, and for federal tax levies, info for the deductions at time-of-writ calculations. For further info, see the following table.
CalculationInfo2	If the info in CalculationInfo1 exceeds the character count, the remainder appears here.
DisposableIncome	Disposable income amount for the pay period.
DisposableIncome_run	Disposable income amount for the payroll run.
ProrationCalcRule	For support orders, the proration calculation rule used. Other deduction types don't use this.
ReferenceCode2	Element entry ID value generated from the Involuntary Deductions card component.

These are the calculator element information values. They show info related to:

- Total owed balances
- Calculation rules
- Multiples allowed rule
- Not allowed rule
- For federal tax levies, they show info for the deductions at time-of-writ calculations

The contents of the CalculationInfo1 and CalculationInfo2 value can vary based on the info shown in the table. If the info exceeds the character count, the remainder appears in CalculationInfo2.

In this case	This is the run result vale	For example
Involuntary deductions subject to a total owed balance	Returns this run result after the order has been satisfied. `TotalOwed=<total owed amount>/<total amount accrued>`	`TotalOwed=200/200`
States that don't allow certain types of involuntary deductions	Returns this run result. `OrderNotAllowed`	For a Texas garnishment or South Carolina creditor debt, the result would be: `OrderNotAllowed` This scenario generates a message.

States with multiple legislative rules to determine proper calculations	Returns one of these run results.
	
	`PPCalcRule=DI`
	
	`PPCalcRule=Gross`
		A New York Creditor Debt has three rules that determine the proper calculation.
		
		If the deduction calculation uses 25% of disposable income, the result would be:

In this case	This is the run result vale	For example

	`PPCalcRule=MinWage`	`PPCalcRule=DI`
		
		If the deduction calculation uses 10% of gross wages, the result would be:
		
		`PPCalcRule=Gross`
		
		If the deduction calculation uses 30 times the state or federal minimum wage, the result would be:
		
		`PPCalcRule=MinWage`

States that don't allow multiple involuntary deductions of the same type to be processed concurrently	Returns this run result on subsequent multiple orders. `MultipleOrdersAllowed= N`	For subsequent Montana garnishments, the result would be: `MultipleOrdersAllowed= N` This scenario generates a message.
Federal tax levies with deduction at time-of-writ overrides	Returns this run result. `DednAtWrit=<after tax flat amount>/<after-tax calculated percentage amount>/<deferred compensation 401k calculated percentage amount>/<pretax flat amount>/<pretax calculated percentage amount>/<deferred compensation 403b calculated percentage amount>/<deferred compensation 457 calculated percentage amount>`	`DednAtWrit=10/10.4928/0/20/30/0/0`

Related Topics

- Define Involuntary Deductions for the US

Involuntary Deduction Fees for the US

Whenever the payroll process takes a deduction, it also takes the appropriate involuntary deduction processing fees.

Fee processing involves:

- Types of fees
- Fee priority
- Payee definition
- Payee assignment
- Fee waiving

What Types of Fees You Can Use

You can impose these types of fees.

Type of fee	How it's used
Organization fees	These are court or agency-ordered fees. These fees can be: • Levied each pay period per order • Limited to a one-time only initial payment • Subject to a run, period, or monthly maximum • Deducted as a flat amount or percentage, depending on the legislative rule or calculation value definition you select **Note:** The payroll process deducts these fees only if you specify a fee payee. These states have predefined organization fees for support orders. • Arizona • Arkansas • Georgia • Maine • Mississippi • Nevada
Processing fees	As the employer, you might charge an administrative fee for processing your employees' involuntary deductions. Without a payee, these fees don't appear on the payslip. 1. The payslip doesn't include these fees. 2. The payroll process doesn't enforce the fees' legislative limits. These fees can be: • Levied each pay period per order • Limited to a one-time only initial payment • Subject to a run, period, or monthly maximum • Deducted as a flat amount or percentage, depending on the legislative rule or calculation value definition you select **Note:** All Involuntary Deduction secondary classifications support these fees except: • Bankruptcy • Federal Tax Levy There are no predefined processing fee values for the Debt Collection Improvement Act (DCIA) and Educational Loan classifications.
Person fee	The payee for an employee-requested deduction.

How You Set the Fee Priority

The payroll process uses multiple predefined jurisdictional rules to enforce involuntary deduction fee priority. The details of them all is beyond the scope of this document.

For these secondary classifications	These are the rules
Creditor Debt Garnishment	The payroll process automatically calculates and applies one of these fee priorities. • Take the fee from the deduction amount, and always reduce the amount Such as for Illinois and Wisconsin. **Note:** If the total owed remaining is less than the fee amount, the payroll process takes no fee during those pay periods. • Take the fee from other wages, but don't reduce either the deduction or exemption amounts Such as for California and Louisiana. • Take the fee first, and only reduce the deduction amount if there aren't enough earnings remaining to take both the fee and deduction amounts Such as for New Jersey and Washington.
All others	For all other secondary classifications that support fees, the payroll process: 1. Takes the fee. 2. If there aren't enough earnings remaining to take both the fee and deduction amounts, it reduces the deduction amount.

How You Define the Payee

Use the Third Parties task to define each payee recipient as either a person or organization.

For further info, see Third-Party Payment Methods in the Help Center.

You can use a third-party organization payee for the involuntary deduction payments, such as for the order amount payee. Be sure to select **External Payee** as the party usage code when configuring the payee.

How You Assign Payees to a Deduction

After you have defined the payee and attached them to an appropriate payment method, associate it to the involuntary deduction.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the employee.
4. Open their Involuntary Deductions Card for editing.
5. Create or edit the calculation component associated with the involuntary deduction.
6. Select **Calculation Component Details**, and expand **Involuntary Deduction Payment Details**.
7. For each applicable fee type, enter the payee.
8. Save your work.

Note: You must include a processing fee payee if you're deducting processing fees and you want the fee to show on the employee's payslip. If you don't, the payroll process doesn't enforce the fee's legislative limits.

How You Waive Fees

Processing fees and organization fee amounts are predefined. To waive a processing fee, use the Calculation Value Definitions task to set the fee value to $0 for your LDG.

To waive a fee for a specific employee:

1. Use the Calculation Cards task to open their Involuntary Deductions card for editing.
2. Select the calculation component associated with the fee's involuntary deduction.
3. Click **Enterable Calculation Values on Calculation Cards**.
4. Click **Create**.
5. Search for and add **<type> Processing Fee Per Pay Period Amount**.
6. Enter the new amount, and click **OK**.

You can waive multiple fee types simultaneously using HDL. For further info, see Oracle Cloud Human Capital Management for the United States: Need to Set All Involuntary Deduction Fees to Zero In All PODS (2306182.1) on My Oracle Support.

Related Topics

- Define Involuntary Deductions for the US
- Legislative Rule Overrides for Involuntary Deductions for the US
- Third-Party Payment Methods
- Oracle Cloud Payroll: Need to Set All Involuntary Deduction Fees to Zero In All PODS

Net-to-Gross Earnings

Net-to-Gross Earnings Elements for the US

You can define net-to-gross bonus earnings for your employees that:

- Include all tax calculations
- Exclude certain taxes from the gross-up calculation, but still withhold them
- Impute net-to-gross earnings

Note: For further info, see Create Net-to-Gross Earnings Elements for the US in the Help Center.

You identify an earnings element as eligible for gross up by selecting **Yes** to the **Calculate gross amount from specified net amount** prompt during element definition.

Related Topics

- How the Payroll Process Calculates Net-to-Gross Earnings for the US
- Create Net-to-Gross Earnings Elements for the US

How the Payroll Process Calculates Net-to-Gross Earnings for the US

When you create an earnings element, you can indicate that it must pay a specified net amount.

Use this feature if you need to pay a person:

- Guaranteed take-home pay (net) per payroll period
- Bonus of a specified net amount

To create an earnings element, use the Elements task.

You can create a net-to-gross (gross-up) element for any recurring or nonrecurring earnings element using these primary classifications.

- Standard Earnings
- Supplemental Earnings

What Settings Affect Net-to-Gross Processing

You define which deductions the payroll process uses to calculate the gross amount from the specified net amount.

You must create the earnings element as a net-to-gross element by answering **Yes** to the **Use this element to calculate a gross amount from a specified net amount?** prompt in the element template.

In each element entry, you specify the limits of the net-to-gross processing this way.

1. In the **Net** value, enter the value you want the employee to receive.
2. In the **To Within** value, enter the allowed difference between the amount you want and the actual amount.

Note: If these values are the same across most entries, you can enter a default value on the element eligibility record.

How the Formulas Calculate the Gross Amount

Here's what happens when you run the formulas for net-to-gross processing.

1. The predefined GLB_EARN_GROSSUP iterative formula takes these input values.
    - Net amount you want (**Net** input value)
    - Amount the net can differ from the goal amount (**To Within** input value)
2. In the first run, the formula:
    a. Sets the lower gross limit to the goal net amount, and the higher gross limit to twice the goal 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. This formula:
    a. Adds the additional amount to the goal amount. This is create the gross amount.
    b. Returns the gross amount to the element's pay value for the payroll run to process.
4. In the next iteration, the iterative formula compares the additional amount to the total value of the balances that are available for net-to-gross for this element entry.

The additional amount must not differ from this balance total by more than the amount you specified in **To Within**.

- If the additional amount equals the balance total, the iterative processing ends.
- If the additional amount is above or below the balance total by an acceptable margin:
  i. Processing ends.
  ii. The formula returns the remainder (additional amount minus balance) to the element's **Remainder** input value.
- Otherwise, the formula runs the function to generate a better estimate for gross, using the remainder to determine by how much to change the guess. The formula checks the results in another iteration.

By default, these tax balances are included in the gross up processing.

- City Withheld
- County Withheld
- FIT Withheld
- Family Leave Insurance Employee Withheld
- Head Tax Withheld
- Medicare Employee Withheld
- SDI Employee Withheld
- SIT Withheld
- SUI Employee Withheld
- School Withheld
- Social Security Employee Withheld

Related Topics

- What is element eligibility for the US?
- Net-to-Gross Earnings Elements for the US
- Create Net-to-Gross Earnings Elements for the US
- Overview of Using Formula Components

Create Net-to-Gross Earnings Elements for the US

These examples demonstrate how to create net-to-gross (gross-up) earnings elements under a variety of conditions.

- Define net-to-gross earnings that include all tax calculations
- Define net-to-gross earnings that exclude specific taxes but still withhold them
- Define imputed net-to-gross earnings

Define net-to-gross earnings that include all tax calculations

In this example, you have an employee that that you want to pay a bonus of $500 net pay. They have already earned over $1-million in bonuses, so this bonus must be taxed at the highest rate.

1. In this case, you would perform the following operations.

What you need to do	What happens
Define a bonus net-to-gross earnings element	Use the Elements task to define a net-to-gross earnings element for the bonus. Use this element to enter the net payment you want the employee to receive. The payroll process uses it to determine what the gross amount should be.
Configure federal income tax (FIT) withholding	Because the employee has already received over $1 million in supplemental earnings, you must update their Tax Withholding card to withhold at the highest FIT supplemental rate.
Define element entries	Use the Element Entries task to define element entries for the element. For **Net**, enter the amount of the bonus, `500.00`. Use **To Within** to inform the payroll process how close to the net amount it must get during its calculations. **Note:** The higher the precision, the longer the payroll calculations may take. For example, if you enter a **Net** of $500.00, and your **To Within** amount is `1.00`, the employee could receive anywhere between $499.00 and $501.00.
Run a QuickPay	This generates the net-to-gross bonus payment.

The following sections describe these operations in detail.

Define the bonus net-to-gross earnings element

To configure an element to perform net-to-gross on an employee bonus:

a. Start the Elements task.
b. Define the net-to-gross earning element.

Field name	What you enter
Primary Classification	Supplemental Earnings

Field name	What you enter
Secondary Classification	Bonus
Category	Standard
Element name / Reporting name	Bonus GU
Employment Level	Assignment level
Recurring or Nonrecurring	Nonrecurring
Process the element only once in each payroll period?	Yes
Can person have more than one entry in period?	Yes
Process and pay separate or with other earnings?	Process separately and pay separately
Tax across multiple pay periods?	No
Prorate across all periods earned and consider for overtime?	No
Calculation Rule	Flat amount
Default Periodicity	Periodically
Periodicity Conversion Rule	Periodic Work Schedule Rate Annualized
Work Units Reported	None
Subject to Retro	No
Calculate gross amount from specified net amount?	Yes

Field name	What you enter
Include in earnings calculation of overtime?	No
Include in hours calculation overtime?	No

c. Create element eligibility.
    i. Click **Element Eligibility** in **Element Overview**.
    ii. Select **Create Element Eligibility** from **Actions**.
d. Click **Submit** and then **Done**.

Configure FIT withholding

Because the employee has already received over $1 million in supplemental earnings, you must update their Tax Withholding card to withhold at the highest FIT supplemental rate.

To do this:

1. Use the Calculation Cards task to open the person's Tax Withholding card for editing.
2. Override the Supplemental Rate percentage for **Federal**. Set it to the highest tax rate.

Define element entries

To define the element entries for the net-to-gross element:

1. Start the Element Entries task.
2. Search for the person receiving the earnings.
3. Click **Create**.
4. Enter an appropriate effective date, and select the net-to-gross earnings element you defined previously.
5. As this person is receiving a $500, enter `500.00` in **Net**.
6. Change **To Within** to `1.00`.
7. Click **Submit** and **Done**.

Perform a QuickPay

To process the net-to-gross bonus payment using the QuickPay action:

1. Calculate quick pay, using the Supplemental run type. Make sure you include your Bonus GU element in the run.

    For further info, see How QuickPay Is Processed in the Help Center.
2. Once the process completes, view the Statement of Earnings to review the results.

Exclude specific taxes from the gross-up calculation but still withhold them

When calculating a net-to-gross payment, you're not required to include all taxes as part of the net-to-gross calculation, as long as the required taxes are still withheld.

In this example, you have an employee receiving a bonus of $1000. As their manager, you want to pay the employee's portion of Social Security and Medicare tax on this bonus but not federal. You do not want to include FIT as part of the net-to-gross calculation, but you still want to withhold the FIT tax.

To do this:

1. Define the net-to-gross element, as described in the previous example.
2. In **Element Overview** of the base element, click **Gross Balance Exclusions**.
3. Select **Exclude Balances** for the FIT Withheld tax.
4. Click **Save**.

   In this case, the payroll process would perform the following calculations.

Calculations	Amounts
(Gross Bonus) - (Social Security Tax) - (Medicare) = (Subtotal)	1082.84 - 67.14 - 15.70 = $1000
(Subtotal) - (FIT) = (Net)	1000 - 238.22 = $761.78

Define imputed net-to-gross earnings that include all tax calculations

In this example, you have awarded an employee with a $500 gift card. You want to:

1. Process an imputed gross-up earnings for the amount.
2. Calculate the taxes on this amount, and pay them on the employee's behalf.

In this case, you would perform the following operations.

What you need to do	What happens
Define an imputed net-to-gross earnings element	Use the Elements task to define a net-to-gross earnings element for the bonus. This element performs the gross-up of the taxes that are due for the value of the gift card.
Set the processing priority	Use the Elements task to change the priority of the imputed earnings element and all of its indirect elements. This ensures that the imputed element is processed in the correct order.
Modify the element's fast formulas	Use the Fast Formula task to modify the fast formula.
Define a supplemental earnings element	Use the Elements task to define a supplemental earnings element. This element creates the additional earnings needed to withhold the proper taxes.
Update your imputed earnings element's status processing rule	Use the Elements task to update the status processing rule to coincide with the changes you made to the fast formula.

What you need to do	What happens
Define element entries	Use the Element Entries task to define element entries for your imputed net-to-gross element. Here you enter the net amount of your imputed earnings.
Run a QuickPay	This generates the net-to-gross imputed earnings transaction.

The following sections describe these operations in detail.

Define the imputed earnings net-to-gross element

To configure an element to perform gross-up on an imputed earning:

1. Start the Elements task.
2. Define the imputed net-to-gross earning element.

Field name	What you enter
Primary Classification	Imputed Earnings
Secondary Classification	Noncash Award
Category	Standard
Element Name and Reporting Name	Imputed GU Award
Employment Level	Assignment level
Recurring or Nonrecurring	Nonrecurring
Process the element only once in each payroll period?	Yes
Can person have more than one entry in period?	No
Process and pay separate or with other earnings?	Process separately but pay with other earnings
Tax across multiple pay periods?	No
Calculation Rule	Flat amount

Field name	What you enter
Default Periodicity	Periodically
Periodicity Conversion Rule	Standard Rate Annualized
Work Units Reported	None
Subject to Retro	No
Calculate gross amount from specified net amount?	Yes
Include in earnings calculation of overtime?	No
Include in hours calculation overtime?	No

3. Create element eligibility by clicking **Element Eligibility** in **Element Overview** and then selecting **Create Element Eligibility** from **Actions**.
4. Click **Submit** and then **Done**.

Set the processing priority

You want your net-to-gross elements to run in the proper order. Therefore, you need to update the processing priority for your imputed earnings element and all of its indirect elements.

To do this:

1. Start the Elements task.
2. Select the element's effective date.
3. For the base imputed earnings element and all indirect elements, change the priority number to `3250`.

Modify the element's fast formulas

Modify two of the new element's fast formulas to properly process the imputed earnings gross-up calculation.

To do this:

1. Start the Fast Formulas task.
2. Search for and select the "Imputed GU Award Earnings" formula.
3. Click **Edit** and then **Correct**.
4. Insert a row at the end of the `Defaults` section.

   In the new row, enter:

```
DEFAULT FOR IMPUTED_GU_AWARD_CLASSIFICATION IS ' '
```

5. Find the `Grossup Processing Begin` section.
6. Insert a row after the `EXITING FLAT AMOUNT FORMULA` statement.

   In the new row, enter:

   ```
   If IMPUTED_GU_AWARD_CLASSIFICATION = 'Taxable Benefits' then
   (if (additional_amount was not defaulted and additional_amount > 0) then
   (L_value = l_value - additional_amount))
   l_periodicity = 'PRD'
   ```

7. Change the `return l_value` line to:

   ```
   return l_value, additional_amount, l_periodicity
   ```

8. Click **Submit**, and then compile your formula.
9. Click **Done**.
10. Search for and select **Imputed GU Award_EARN_BASE**.
11. Click **Edit** and then **Correct**.
12. Find the section with the `GET_OUTPUT` statements, and add the following rows after the last statement.

    ```
    l_periodicity = GET_OUTPUT('L_PERIODICITY', 'PRD')
    additional_amount = GET_OUTPUT('ADDITIONAL_AMOUNT', 0)
    ```

13. Find the Return section, and add a comma to the `l_multiple` statement.

    ```
    l_multiple,
    ```

    After that line, add the following.

    ```
    l_periodicity,
    additional_amount
    ```

14. Click **Submit**, and compile your formula.
15. Click **Done**.

Define a supplemental earnings element

You now need an element to that creates the additional earnings needed to withhold the proper taxes.

To do this:

1. Use the Elements task to define a Supplemental Earnings element.

Field name	What you enter
Primary Classification	Supplemental Earnings
Secondary Classification	Awards and Prizes
Category	Standard
Element Name and Reporting Name	Award Noncash

Field name	What you enter
Employment Level	Assignment level
Recurring or Nonrecurring	Nonrecurring
Process the element only once in each payroll period?	Yes
Can person have more than one entry in period?	No
Process and pay separate or with other earnings?	Process and pay with other earnings
Tax across multiple pay periods?	No
Calculation Rule	Flat amount
Default Periodicity	Periodically
Periodicity Conversion Rule	Standard Rate Annualized
Work Units Reported	None
Subject to Retro	No
Include in earnings calculation of overtime base rate?	No
Include in hours calculation of overtime base rate?	No

2. Create element eligibility by clicking **Element Eligibility** in **Element Overview** and then selecting **Create Element Eligibility** from **Actions**.
3. Click **Submit**.
4. Configure the Periodicity Conversion Rule input value.
    a. Select the Periodicity Conversion Rule input value.
    b. Click **Edit** and then **Correct**.
    c. Deselect **Required**.

   d. Click **Submit**.
5. Configure the Reporting Unit input value.
   a. Select the Reporting Unit input value.
   b. Click **Edit** and then **Correct**.
   c. Deselect **Required**.
   d. Click **Submit**.
6. Click **Done**.

Update your imputed earnings element's status processing rule

You need to update the status processing rule to coincide with the changes you made to the fast formula.

To do this:

1. Using the Elements task, search for and select your Imputed GU Award element, using the effective date of the element.
2. Select the Imputed GU Award Earnings status processing rule.
3. Add a row.

Field name	What you enter
Result Returned	`ADDITIONAL_AMOUNT`
Result Rule	Indirect Result
Target Element Name	Award Noncash
Target Input Value	Amount

4. Add another row.

Field name	What you enter
Result Returned	`L_PERIODICITY`
Result Rule	Indirect Result
Target Element Name	Award Noncash
Target Input Value	Periodicity

5. Click **Submit** and then **Done**.

Define element entries

To define the element entries for the net-to-gross element:

1. Start the Element Entries task.
2. Search for the person receiving the earnings.
3. Click **Create**.
4. Enter an appropriate effective date, and select the imputed earnings element you defined previously.
5. Enter the net value you want to use for the net-to-gross calculation in **Net**.
6. Click **Submit** and **Done**.

Perform a QuickPay

To process the imputed net-to-gross payment using the QuickPay action:

1. Perform a QuickPay operation using the Regular run type and the pay period during which you entered the Imputed Gross-Up Earnings element to the person's element entry.

   Deselect all elements except:

   - US Taxation
   - Imputed GU Award

   For further info, see How QuickPay Is Processed in the Help Center.
2. Once the process completes, view the Statement of Earnings to review the results.

Related Topics

- Balances in Net-to-Gross Calculations
- How the Payroll Process Calculates Net-to-Gross Earnings for the US
- How QuickPay is Processed
- Net-to-Gross Earnings Elements for the US

Pretax Deductions

Define Pretax Deduction Elements

Here's how the different parts of a Pretax Deductions element work together to help you process employee deductions.

You define pretax deductions using the Elements task. Like any standard element, you must create eligibility criteria for them.

What you want to do	How you do it
Define the type of pretax deduction	Use the Elements task to select the Pretax Deductions primary element classification and appropriate secondary classification.
Choose a contribution type for deferred compensation deductions	Deferred compensation pretax deductions offer a variety of contribution types beyond the base, such as employer-match, catch-up, after-tax, and Roth.

What you want to do	How you do it
	For some deduction types, you make this selection during element definition. For others, you use the employee's Benefits and Pensions calculation card. For further info, see the following in the Help Center. • Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Update the wage basis rules for your new deduction	The Element task applies the appropriate wage basis rules automatically based on the primary and secondary classifications you select. You can use the Component Group Rules task to verify them. You can also define rules as required.
Configure the balance feeds	After defining the elements and configuring the contributions, you need to configure the appropriate balance feeds.
Create the eligibility criteria	Create eligibility criteria for each element you define. For further info, see Element Eligibility for the US in the Help Center.
Verify the contribution limits	Deferred compensation pretax deductions have predefined contribution limits. They help ensure the employee is in compliance with statutory limits. However, there are some cases where you need to adjust the limits for individual employees. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Enable iterative processing	In cases where a pretax deduction is equal to or higher than the person's gross pay, the payroll process can withhold them iteratively. This ensures it properly withholds statutory deductions, such as taxes and involuntary deductions. For further info, see Iterative Processing for Pretax Deductions on the Help Center.

For further info, see the following sections.

Secondary Classifications for Pretax Deductions

You use the Pretax Deductions primary element classification to calculate the deduction from the gross income. It reduces the total taxable income of the employee and the tax withheld.

The Pretax Deductions primary classification uses the following secondary classifications.

- Deferred Compensation 401k
- Deferred Compensation 401k Catch-Up
- Deferred Compensation 403b
- Deferred Compensation 457
- Dental Care 125
- Dependent Care 125
- Flexible Spending Account
- Health Care 125
- Health Savings Account

- Health Savings Account Catch-Up
- Nonqualified Deferred Compensation
- Retiree Dental Care 125
- Retiree Flexible Spending Account
- Retiree Health Savings Account
- Retiree Health Savings Account Catch-Up
- Retiree Vision Care 125
- Vision Care 125

Note: The secondary classifications for 403 (b) and 457 (b) catch-up aren't for your use. The element template uses these classifications to define indirect elements. You define catch-up contributions for 403 (b) and 457 (b) plans through the person's Benefits and Pensions calculation card. For further info, see the following in the Help Center.

- Set Up 403 (b) Deferred Compensation Plans
- Set Up 457 (b) Deferred Compensation Plans

Deferred Compensation Contribution Types

Deferred compensation pretax deductions offer a variety of contribution types beyond the base, such as employer-match, catch-up, after-tax, and Roth.

For some of these deduction types, you make this selection during element definition. For others, you use the employee's Benefits and Pensions calculation card. For further info, see Considerations for 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.

Contribution type	What you want to do	How you do it
Base	Define the base contributions for pretax deferred compensation plans.	Use the Elements task. For further info, see the following in the Help Center. • Set Up 401 (k) Deferred Compensation Plans • Set Up 403 (b) Deferred Compensation Plans • Set Up 457 (b) Deferred Compensation Plans
Employer Match	Depending on your organization's policies, you can provide employer matching contributions at the base contribution, catch-up, Roth, and Roth catch-up levels. You can also enable employer matching even when the employee isn't contributing to their plan.	For 401 (k) plans, you set up employer matching during element definition. For further info, see Set Up 401 (k) Deferred Compensation Plan Contributions in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further info, see Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.

Contribution type	What you want to do	How you do it
Catch-Up	Eligible employees can make additional "catch-up" contributions to help them reach their retirement goals. If your organization allows it, you can also configure employer matching for catch-up contributions.	For 401 (k) plans, you configure catch-up contributions during element definition. For further info, see Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further info, see Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center. **Note:** Don't attempt to manually define catch-up deductions using the Deferred Compensation 403b Catch-Up or Deferred Compensation 457 Catch-Up secondary classifications. The element template uses these classifications to create the elements for you.
After-tax	Employees can elect to participate in after-tax contributions to pretax accounts. These plans can include employer-matching contributions.	For 401 (k) after-tax contributions, you can configure them during the base element definition. You can also define the element manually using the Voluntary Deductions primary classification and Pension Plan After Tax secondary classification. For 403 (b) and 457 (b) plans, you can define these contributions using the Voluntary Deductions primary classification and Pension Plan After Tax 403b or Pension Plan After Tax 457 secondary classification.
Roth	Employees can elect to participate in after-tax Roth contribution plans. These plans can include catch-up and employer-matching contributions.	For 401 (k) plans, you configure Roth, employer-match, after-tax, and catch-up contributions during element definition. For further info, see Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans in the Help Center. For 403 (b) and 457 (b) plans, you use the appropriate calculation values on the person's Benefits and Pensions card. For further info, see Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans in the Help Center.

Wage Basis Rules

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

The element template automatically applies predefined wage basis rules based on the primary and secondary classifications you select.

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

Use the Component Group Rules task to view or modify the predefined wage basis rules. You can also define rules as required.

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

Balance Feeds

When you define pretax deductions, the element template doesn't establish feeds for all balances. You need to configure balance feeds for the following.

- Eligible earnings for deferred compensation deductions
- Other pretax deductions

Eligible Earnings

The Elements task doesn't automatically feed a balance for tracking eligible earnings. You must configure balance feeds to calculate deferred compensation requiring eligible earnings.

To configure these balance feeds:

1. Start the Balance Definitions task.
2. Search for and select the appropriate balance.
    - Deferred Compensation 401K Eligible Earnings
    - Deferred Compensation 403b Eligible Earnings
    - Deferred Compensation 457 Eligible Earnings
    - Total Deferred Compensation 401k Eligible Earnings
    - Total Deferred Compensation 403b Eligible Earnings
    - Total Deferred Compensation 457 Eligible Earnings
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for these contribution types, and save your work.
    - 401 (k)
    - 401 (k) after-tax
    - 401 (k) catch-up
    - 403 (b)
    - 403 (b) after-tax
    - 403 (b) catch-up
    - 457 (b)
    - 457 (b) after-tax

- 457 (b) catch-up
- Roth 401 (k)
- Roth 401 (k) catch-up
- Roth 403 (b)
- Roth 403 (b) catch-up
- Roth 457 (b)
- Roth 457 (b) catch-up

Note: If you're running multiple 401 (k) plans, you must use separate balances for each. Use the predefined `Deferred Compensation 401K Eligible Earnings` and `Total Deferred Compensation 401k Eligible Earnings` balances for the first plan. For any additional plans, define and feed a new balance by copying the predefined one and modifying the appropriate fast formulas.

Other Pretax Deductions

The Elements task doesn't automatically establish balance feeds for these secondary classifications.

- Deferred Compensation 401k Catch-Up
- Deferred Compensation 403b Catch-Up
- Deferred Compensation 457 Catch-Up
- Nonqualified Deferred Compensation

For these elements, use the Balance Definitions task to configure a feed to the `Other Pretax` balance.

Related Topics

- Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans
- Deferred Compensation Plans for the US
- Pretax Deductions for the US

How Do I Configure 401 (k) Deferred Compensation Plans?

As an employer you can offer pretax, Roth, catch-up, and after-tax 401 (k) deductions. Both employee and employer contributions are available.

You can define elements for these plan types.

Plan type	Description	To define this element
401 (k)	In this plan, an employee can elect to have a portion of their cash wages contribute to the plan on a pretax basis.	Define an element with the Pretax Deductions primary element classification and Deferred Compensation 401 (k) secondary element classification. During the base plan configuration, you can define associated contribution types.

Plan type	Description	To define this element
		• Employer-matching • Catch-up • Roth • After-tax
401 (k) Catch-Up	These contributions help employees maximize their deferred compensation balances as they near their retirement age.	You can define catch-up contributions during the base plan configuration. To define stand-alone catch-up elements, use the Deferred Compensation 401k Catch-Up secondary element classification.
After-Tax 401 (k)	These contributions are considered voluntary and contribute to the 401 (k) plan with after-tax dollars.	You can define after-tax contributions during the base plan configuration. To define stand-alone elements, use the Voluntary Deductions primary element classification and Pension Plan After Tax secondary element classification.
Roth 401 (k)	This plan is similar to the 401 (k) plan but is funded with after-tax contributions from the participant.	You can define Roth and Roth catch-up contributions during the base plan configuration. To define stand-alone elements, use these dedicated secondary classifications. • Deferred Compensation 401k Roth • Deferred Compensation 401k Roth Catch Up

Set the Input Values

You can set input values on the following elements.

- Base element
- Employer match

Base Element Input Values

Input value	What it does
`Amount`	Represents the dollar amount of the contribution. Entry in this input value takes priority over entry in the **Percentage** value. **Note:** For flat amount contribution elements only. For example, to set a contribution of $100, enter `100.00`.

Input value	What it does
`Deduction Amount`	Overrides the amount of contribution deducted each pay period. Entry in this input value takes priority over entry in the **Amount** or **Percentage** values. For example, to set a contribution of $100, enter `100.00`.
`Distribution Code`	Don't use for 401 (k) elements.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met. This applies to these contributions. • 401 (k) • 401 (k) After-Tax • 401 (k) Catch-Up • Roth 401 (k) • Roth 401 (k) Catch-Up
`High Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Iteration Count`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Low Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Method`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Override IRS Limit`	Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Use this value to set a new limit. For example: • Assume a statutory limit of $17,500

Input value	What it does
	• An employee has already contributed $5,000 with a previous employer • Use this input value to account for the $5,000 already contributed Set the limit to $12,500 with a date for the effective change (17500 - 5000 = 12500). For example, to set an override of $12,500, enter `12500.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Partial Flag`	Select **Yes** to allow partial deduction amounts when: • Earnings are insufficient to take the full deduction • Legislative limits have been met
`Percentage`	Represents the percentage amount of the contribution. **Note:** For percentage-amount contribution elements only. Entry in **Amount** and **Deduction Amount** takes priority over this input value. For example, enter 3% as `03`.
`Period Type`	Identifies how often the contribution is processed. **Note:** For flat amount contribution elements only.
`Separate Tax Code`	Don't use for 401 (k) elements.

Employer-Match Element Input Values

Input value	What it does
`Distribution Code`	Don't use for 401 (k) elements.
`Employer Contribution Percentage`	Percentage of employee contributions matched by the employer. The default is to match $.50 for every $1 contributed by the employee.
`Employer Contribution Limit Percentage`	Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is to match 6% of the employee's pay per pay period. For example, enter 6% as `06`.

Input value	What it does
`Employer Contribution Without EE`	Identifies if the payroll process takes employer-matching contributions with or without employee contributions.
`Employer Match Amount`	Represents the dollar amount of the contribution.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met. This applies to the following contributions. • 401 (k) • 401 (k) After-Tax • 401 (k) Catch-Up • Roth 401 (k) • Roth 401 (k) Catch-Up
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change.
`Separate Tax Code`	Don't use for 401 (k) elements.

401 (k) Catch-Up Contributions

Catch-up contributions help employees maximize their deferred compensation balances as they near their retirement age. These pretax payments are in addition to the base contributions, and they apply to 401 (k) deferred compensation deductions. They're restricted to participants 50 years and older.

When you define the base contribution, you can choose to configure catch-up contributions at that time. However, you can also set up catch-up elements independently.

What you want to do	How you do it
Define the catch-up deduction element	Use the Elements task.
Configure catch-up processing	The element template prompts you choose if the payroll process deducts these catch-up contributions concurrently or sequentially with the base deductions. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions.

What you want to do	How you do it
	If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
Set up employer matching	The element template prompts you to include employer-matching contributions.
Define the contribution amount rules	Use the Amount Rules section of the template to define how the payroll process handles insufficient funds and eligible compensation limit checks. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Define the element processing rules	Use the Processing Rules section of the template to define how the payroll process handles this element during payroll calculation, including iterative processing. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
Choose the employee contribution method	Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period. You set the contribution method through input values on the element.
Set the other input values	Use the input values to configure the element behavior, including overrides and limits.
Set the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.
Configure balance feeds for catch-up contributions	There are no predefined balance feeds for the pretax catch-up indirect elements. For the payroll process to properly calculate taxes for the catch-up contributions: 1. Start the Balance Definitions task. 2. Feed any 401 (k) catch-up results elements to the Other Pretax balance definition.

Define the Catch-Up Deduction Element

You can define catch-up contributions for 401 (k) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
Base 401 (k) catch-up	Pretax Deductions	Deferred Compensation 401k Catch-Up

This creates a Pretax Deductions element named "<base element name> Catchup". Use the Balance Definitions task to feed the 401 (k) catch-up results element to the Other Pretax balance.

Set Up Employer-Match Contributions

For employer-matching contributions, you have the following options.

Template prompt	What it does
No	No employer matching for the catch-up deductions.
Yes, with employee contributions	Applies employer matching amounts based on employee contributions. By default, this element matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. You must use the Employer Match Amount input value to define your contributions.

You can change the employer match values through the Employer Liabilities element's input values.

Set the Input Values

You can set input values on the following elements.

- Catch-up base element
- Catch-up employer match

Catch-Up Base Element Input Values

Input value	What it does
`Amount`	Represents the dollar amount of the contribution. Entry in this input value takes priority over entry in the **Percentage** value. **Note:** For flat amount contribution elements only. For example, to set an override of $100, enter `100.00`.
`Deduction Amount`	Overrides the amount of contribution deducted each pay period. Entry in this input value takes priority over entry in the **Amount** or **Percentage** values. For example, to set an override of $100, enter `100.00`.
`Distribution Code`	Don't use for 401 (k) catch-up elements.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.

Input value	What it does
`High Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Iteration Count`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Low Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Method`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter 200000.00. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Override IRS Limit`	Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Use this value to set a new limit. For example: • Assume a statutory limit of $17,500 • An employee has already contributed $5,000 with a previous employer • Use this input value to account for the $5,000 already contributed Set the limit to $12,500 with a date for the effective change (17500 - 5000 = 12500). For example, to set an override of $12,500, enter `12500.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Partial Flag`	Select **Yes** to allow partial deduction amounts when: • Earnings are insufficient to take the full deduction • Legislative limits have been met
`Percentage`	Represents the percentage amount of the contribution.

Input value	What it does
	Note: For percentage-amount contribution elements only. Entries in **Amount** and **Deduction Amount** take priority over this input value. For example, enter 3% as `03`.
`Period Type`	Identifies how often the contribution is processed. **Note:** For flat amount contribution elements only.
`Process Type`	Identifies whether this deduction is taken sequentially or concurrently with the base contribution. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions. If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
`Separate Tax Code`	Don't use for 401 (k) catch-up elements.
`To Within`	Used for net-to-gross processing. For further info, see Net-to-Gross Earnings Elements for the US.

Catch-Up Employer Match Element Input Values

Input value	What it does
`Distribution Code`	Don't use for 401 (k) catch-up elements.
`Employer Contribution Percentage`	Percentage of employee contributions matched by the employer. The default is to match $.50 for every $1 contributed by the employee.
`Employer Contribution Limit Percentage`	Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is to match 6% of the employee's pay per pay period. For example, enter 6% as `06`.
`Employer Contribution Without EE`	Identifies if the payroll process takes employer-matching contributions with or without employee contributions.
`Employer Match Amount`	Represents the dollar amount of the contribution.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached.

Input value	What it does
	If you select **No**, deductions stop when the elective deferral limit is met.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change.
`Separate Tax Code`	Don't use for 401 (k) catch-up elements.

After-Tax Contributions

If your deferred compensation plan supports after-tax contributions to pretax accounts, you can choose to configure them when you define the base contribution.

However, you can also set up after-tax elements independently.

Note: After-tax elements are subject to the Elective Deferral and Annual Compensation limits. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.

What you want to do	How you do it
Define the after-tax deduction element	Use the Elements task.
Configure after-tax processing	The element template prompts you choose if the payroll process deducts these after-tax contributions concurrently or sequentially with the base deductions. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions. If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
Set up employer matching	The element template gives you the option to include employer-matching contributions.
Define the contribution amount rules	Use the Amount Rules section of the template to define how the payroll process handles insufficient funds and eligible compensation limit checks. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Define the element processing rules	Use the Processing Rules section of the template to define how the payroll process handles this element during payroll calculation.
Choose the employee contribution method	Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period. You set the contribution method through input values on the element.

What you want to do	How you do it
Set the other input values	Use the input values to configure the element behavior, including overrides and limits.
Set the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.

For further info, see the following sections.

Define the After-Tax Deduction Element

You can define after-tax contributions for 401 (k) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
After-tax 401 (k)	Voluntary Deductions	Pension Plan After Tax

This creates a Voluntary Deductions element named "<base element name> After tax".

For further info, see Example of Defining Elements for 401 (k) and Roth 401 (k) Deferred Compensation Plans in the Help Center.

Set Up Employer-Match Contributions

Employer after-tax contribution matching is optional and configurable.

Template prompt	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer matching amounts based on employee contributions. By default, this element matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. You must use the Employer Match Amount input value to define your contributions.

You can change the employer match values through the Employer Liabilities element's input values.

Note: Although these are employee after-tax contributions, you must send any employer-matching contributions to a third-party pretax account.

Choose the Employee Contribution Method

Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.

If you enter values in the Deduction Amount, Amount, and Percentage input values for an employee, the payroll process applies them according to this priority.

1. Deduction Amount
2. Amount
3. Percentage

When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If you choose percentage, the payroll process draws the contributions from eligible earnings only.

Set the Input Values

You can set input values on the following elements.

- After-tax base element
- After-tax employer match

After-Tax Base Element Input Values

Input value	What it does
`Amount`	Represents the dollar amount of the contribution. Entry in this input value takes priority over entry in the **Percentage** value. **Note:** For flat amount contribution elements only. For example, to set an override of $100, enter `100.00`.
`Deduction Amount`	Overrides the amount of after-tax contribution deducted each pay period. Entry in this input value takes priority over entry in the **Amount** or **Percentage** values. For example, to set an override of $100, enter `100.00`.
`Distribution Code`	Don't use for after-tax elements.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`.

Input value	What it does
	Note: If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Partial Flag`	Select **Yes** to allow partial deduction amounts when: • Earnings are insufficient to take the full deduction • Legislative limits have been met
`Percentage`	For percentage contributions, represents the percentage amount. Enter a percentage in the following format: `3` for 3%.
`Period Type`	For flat amount contributions, identifies how often the contribution is processed.
`Process Type`	Identifies whether this deduction is taken sequentially or concurrently with the base contribution. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions. If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
`Separate Tax Code`	Don't use for after-tax elements.

After-Tax Employer-Match Element Input Values

Input value	What it does
`Distribution Code`	Don't use for after-tax elements.
`Employer Contribution Percentage`	Percentage of employee contributions matched by the employer. The default is to match $.50 for every $1 contributed by the employee.
`Employer Contribution Limit Percentage`	Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is to match 6% of the employee's pay per pay period. For example, enter 6% as `06`.
`Employer Contribution Without EE`	Identifies if the payroll process takes employer-matching contributions with or without employee contributions.
`Employer Match Amount`	Represents the dollar amount of the contribution.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.

Input value	What it does
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change.
`Separate Tax Code`	Don't use for after-tax elements.

Roth 401 (k) Contributions

If your deferred compensation plan supports Roth 401 (k) contributions to after-tax accounts, you can choose to configure them when you define the base contribution.

However, you can also set up Roth elements independently.

Note: Roth 401 (k) elements are subject to the Elective Deferral and Annual Compensation limits. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.

What you want to do	How you do it
Define the base deduction element	Use the Elements task.
Set up employer matching	The element template prompts you to include employer-matching contributions.
Set up catch-up processing	The element template prompts you to include catch-up contributions with the base contributions. If you choose to include them, it prompts you choose if the payroll process deducts them concurrently or sequentially with the base deductions. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions. If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
Set up catch-up employer matching	The element template prompts you to include catch-up employer-matching contributions.
Define the contribution amount rules	Use the Amount Rules section of the template to define how the payroll process handles insufficient funds and eligible compensation limit checks. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Define the element processing rules	Use the Processing Rules section of the template to define how the payroll process handles this element during payroll calculation, including iterative processing.

What you want to do	How you do it
	For further info, see Iterative Processing for Pretax Deductions in the Help Center.
Choose the employee contribution method	Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period. You set the contribution method through input values on the element.
Set the other input values	Use the input values to configure the element behavior, including overrides and limits.
Set the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.

Define the Base Deduction Element

You can define contributions for Roth 401 (k) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
Base Roth 401 (k)	Voluntary Deductions	Deferred Compensation 401k Roth

This creates a Voluntary Deductions element named "<base element name> Roth".

For further info, see Example of Defining Elements for a 401 (k) and Roth 401 (k) Deferred Compensation Plans in the Help Center.

Set Up Employer-Match Contributions

Employer Roth contribution matching is optional and configurable.

Template prompt	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer matching amounts based on employee contributions. By default, this element matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. You must use the Employer Match Amount input value to define your contributions.

You can change the employer match values through the "<element name> Roth Employer Match" element's input values.

Set Up Employer-Match Catch-Up Contributions

You have the same employer-match options for catch-up contribution as for the base contributions.

Choose the Employee Contribution Method

Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.

If you enter values in the Deduction Amount, Amount, and Percentage input values for an employee, the payroll process applies them according to the following priority.

1. Deduction Amount
2. Amount
3. Percentage

When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If you choose percentage, the payroll process draws the contributions from eligible earnings only.

Set the Input Values

You can set input values on the following elements.

- Roth base element
- Roth employer match

Roth Base Element Input Values

Input Value	What it does
`Amount`	Represents the dollar amount of the contribution. Entry in this input value takes priority over entry in the Percentage value. **Note:** For flat amount contribution elements only. For example, to set a contribution of $100, enter `100.00`.
`Deduction Amount`	Overrides the amount of contribution deducted each pay period. Entry in this input value takes priority over entry in the **Amount** or **Percentage** values. For example, to set a contribution of $200,000, enter `200000.00`.
`Distribution Code`	Don't use for Roth 401 (k) elements.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.

Input Value	What it does
`High Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Iteration Count`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Low Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Method`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Override IRS Limit`	Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Use this value to set a new limit. For example: • Assume a statutory limit of $17,500 • An employee has already contributed $5,000 with a previous employer • Use this input value to account for the $5,000 already contributed Set the limit to $12,500 with a date for the effective change (17500 - 5000 = 12500). For example, to set an override of $12,500, enter `12500.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Partial Flag`	Select **Yes** to allow partial deduction amounts when: • Earnings are insufficient to take the full deduction • Legislative limits have been met
`Percentage`	Represents the percentage amount of the contribution.

Input Value	What it does
	Note: For percentage-amount contribution elements only. Entries in **Amount** and **Deduction Amount** take priority over this input value. For example, enter 3% as `03`.
`Period Type`	Identifies how often the contribution is processed. **Note:** For flat amount contribution elements only.
`Separate Tax Code`	Don't use for Roth 401 (k) elements.

Roth Employer-Match Element Input Values

Input value	What it does
`Distribution Code`	Don't use for Roth 401 (k) elements.
`Employer Contribution Percentage`	Percentage of employee contributions matched by the employer. The default is to match $.50 for every $1 contributed by the employee.
`Employer Contribution Limit Percentage`	Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is to match 6% of the employee's pay per pay period. For example, enter 6% as `06`.
`Employer Contribution Without EE`	Identifies if the payroll process takes employer-matching contributions with or without employee contributions.
`Employer Match Amount`	Represents the dollar amount of the contribution.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change.

Input value	What it does
`Separate Tax Code`	Don't use for Roth 401 (k) elements.

Roth Catch-Up Contributions

Your deferred compensation plan can support catch-up contributions for Roth 401 (k) plans. Unlike 401 (k) catch-up contributions, the payroll process calculates these contributions after tax. Use the appropriate catch-up secondary classifications within the Voluntary Deductions primary classification. They're restricted to participants 50 years and older.

When you define the base Roth contribution, you can choose to configure catch-up contributions at that time. However, you can also set up Roth catch-up elements independently.

What you want to do	How you do it
Define the catch-up deduction element	Use the Elements task.
Configure catch-up processing	The element template prompts you choose if the payroll process deducts these catch-up contributions concurrently or sequentially with the base deductions. If you select **Concurrent**, the process takes the deductions at the same time as the base contributions. If you select **Sequential**, the process doesn't start taking deductions until the statutory maximum for the base contributions are met. The catch-up deductions begin in the current pay period.
Set up catch-up employer matching	The element template prompts you to include catch-up employer-matching contributions.
Define the contribution amount rules	Use the Amount Rules section of the template to define how the payroll process handles insufficient funds and eligible compensation limit checks. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Define the element processing rules	Use the Processing Rules section of the template to define how the payroll process handles this element during payroll calculation, including iterative processing. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
Choose the employee contribution method	Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period. You set the contribution method through input values on the element.
Set the other input values	Use the input values to configure the element behavior, including overrides and limits.
Set the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.

Define the Catch-Up Deduction Element

You can define catch-up contributions for Roth 401 (k) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
Roth 401 (k) catch-up	Voluntary Deductions	Deferred Compensation 401k Roth Catch Up

This creates a Voluntary Deductions element named "<base element name> Roth Catchup".

For further info, see Example of Defining Elements for 401 (k) and Roth 401 (k) Deferred Compensation Plans in the Help Center.

Set Up Catch-Up Employer-Match Contributions

Roth catch-up employer matching is optional and configurable.

Template prompt	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer matching amounts based on employee contributions. By default, this element matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. You must use the Employer Match Amount input value to define your contributions.

You can change the employer match values through the "<element name> Roth Catchup Employer Match" element's input values.

Choose the Employee Contribution Method

Employees can contribute either a flat dollar amount or a percentage of their earnings per pay period.

If you enter values in the Deduction Amount, Amount, and Percentage input values for an employee, the payroll process applies them according to this priority.

1. Deduction Amount
2. Amount
3. Percentage

When you assign the element entry to an employee, you define the flat amount or percentage for that employee. If you choose percentage, the payroll process draws the contributions from eligible earnings only.

Set the Input Values

You can set input values on the following elements.

- Roth catch-up base element
- Roth catch-up employer match

Roth Catch-Up Base Element Input Values

Input Value	What it does
`Amount`	Represents the dollar amount of the contribution. Entry in this input value takes priority over entry in the Percentage value. **Note:** For flat amount contribution elements only. For example, to set a contribution of $100, enter `100.00`.
`Deduction Amount`	Overrides the amount of contribution deducted each pay period. Entry in this input value takes priority over entry in the **Amount** or **Percentage** values. For example, to set a contribution of $100, enter `100.00`.
`Distribution Code`	Don't use for Roth 401 (k) elements.
`Enforce Compensation Limit`	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.
`High Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Iteration Count`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Low Deduction`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Method`	Available if you enable iterative processing for this element. For further info, see Iterative Processing for Pretax Deductions in the Help Center.
`Override IRS Annual Compensation Limit`	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter `200000.00`.

Input Value	What it does
	Note: If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Override IRS Limit`	Overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Use this value to set a new limit. For example: • Assume a statutory limit of $17,500 • An employee has already contributed $5,000 with a previous employer • Use this input value to account for the $5,000 already contributed Set the limit to $12,500 with a date for the effective change (17500 - 5000 = 12500). For example, to set an override of $12,500, enter `12500.00`. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change. Use the Start-of-Year Process to remove the exemption and end-date the override on the appropriate employee records. For further info, see Run Start-of-Year Process in the Help Center.
`Partial Flag`	Select **Yes** to allow partial deduction amounts when: • Earnings are insufficient to take the full deduction • Legislative limits have been met
`Percentage`	Represents the percentage amount of the contribution. **Note:** For percentage-amount contribution elements only. Entries in **Amount** and **Deduction Amount** take priority over this input value. For example, enter 3% as `03`.
`Period Type`	Identifies how often the contribution is processed. **Note:** For flat amount contribution elements only.
`Separate Tax Code`	Don't use for Roth 401 (k) elements.

Roth Catch-Up Employer-Match Element Input Values

Input value	What it does
Distribution Code	Don't use for Roth 401 (k) elements.
Employer Contribution Percentage	Percentage of employee contributions matched by the employer. The default is to match $.50 for every $1 contributed by the employee.
Employer Contribution Limit Percentage	Maximum amount of employer contribution matching, based on the percentage of employee's pay per pay period. The default is to match 6% of the employee's pay per pay period. For example, enter 6% as **06**.
Employer Contribution Without EE	Identifies if the payroll process takes employer-matching contributions with or without employee contributions.
Employer Match Amount	Represents the dollar amount of the contribution.
Enforce Compensation Limit	If you select **Yes**, deductions stop when the annual compensation limit is reached. If you select **No**, deductions stop when the elective deferral limit is met.
Override IRS Annual Compensation Limit	Overrides the eligible compensation annual limit. For example, to set an override of $200,000, enter **200000.00**. **Note:** If you use this override, you must clear this value at the beginning of each year with date effective change.
Separate Tax Code	Don't use for Roth 401 (k) elements.

Other Considerations

When defining elements for 401 (k) or Roth 401 (k) deferred compensation plans, you have the following additional considerations.

For info about compensation limits, see Compensation Limits for Deferred Compensation Plans in the Help Center.

Contribution Limits

The payroll process automatically enforces statutory limits on the deferred compensation contributions.

If your employee contributes to both 401 (k) and 403 (b) standard or Roth plans, the payroll process enforces the deferred compensation annual limit across the plans.

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

Tax Exemptions

In most cases, pretax deferred wages aren't subject to federal (FIT) or state income tax (SIT) withholding at the time of deferral. However, they're included as wages subject to Social Security, Medicare, and federal unemployment tax (FUTA). The payroll process takes this into account and automatically deducts the appropriate taxes during payroll calculation.

For further info, see the following in the Help Center.

- Involuntary Deduction Wage Basis Rules for the US
- Tax Wage Basis Rules for the US

Balances for Eligible Earnings

When you create an element that takes a percentage deduction, the payroll process doesn't take the deduction until you feed the eligible balance. The Elements task doesn't automatically establish this feed for tracking eligible earnings.

To identify the earnings to be used in these calculations:

1. Start the Balance Definitions task.
2. Search for and select the Deferred Compensation 401k Eligible Earnings predefined balance.
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for your eligible earnings results elements, and save your work.
6. Repeat these steps for the Total Deferred Compensation 401k Eligible Earnings predefined balance.

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

Reports

The following reports collect and display info about deferred compensation deductions.

Report	How you use it
Deduction Report	View details of payroll deductions processed for the specified period. For further info, see Deduction Report in the Help Center.
Element Results Register	View a listing of the elements and pay values processed for each payroll relationship action. For further info, see Element Results Register for the US in the Help Center.
Statement of Earnings	Consolidates all relevant info from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes info about personal info, payroll info, and tax and employment info, run results, messages, and balances. For further info, see How to View the Statement of Earnings for the US in the Help Center.
Deferred Compensation Over the Limit Balance Exception Report	For further info, see Oracle Cloud Human Capital Management for the US: Balance Exception Report (2325520.1) on My Oracle Support.

Report	How you use it

Related Topics

- Deduction Elements for the US
- Define Pretax Deduction Elements for the US
- How Concurrent Catch-Up Deductions Are Calculated
- How Sequential Catch-Up Deductions Are Calculated
- Iterative Processing for Pretax Deductions

Example of Defining Elements for 401 (k) and Roth 401 (k) Deferred Compensation Plans

In this example, you're defining pretax deductions elements for a 401 (k) deferred contribution plan.

This involves multiple stages.

1. Use the Elements task to define at least two pretax deductions elements.
2. Set the element entries.
3. Feed the predefined balance.

How You Define the Element

This involves several steps.

1. Start the element template.
2. Define the base element amount rules.
3. Define the catch-up rules.
4. Define the Roth deductions.
5. Define the after-tax deductions.
6. Finish up with the template.
   For further info, see the following sections.

Get Started with the Element Template

Start the element template.

1. Start the Elements task.
2. Define an element using the Pretax Deductions primary classification and Deferred Compensation 401k secondary classification.
3. Define the necessary values in **Entry Rules**, **Availability Rules**, and **Duration and Termination Rules**.
4. Click **Next**.

Define the Base Element Amount Rules

On **Additional Details**:

1. Specify any associated elements in **Deferred Compensation Rules** along with how they should be processed (concurrent or sequential).

- Catch-up element
- Roth element or Roth catch-up element
- After-tax element

2. Choose **Yes** or **No** for the following options in **Amount Rules**.
   - If earnings are insufficient to take the full deduction, do you want to take a partial deduction?
   - Enforce 401K Eligible Compensation Limit Check

   Note: After the template creates this element, set the actual amounts to be withdrawn through element entry. For further info, see Element Entry Methods in the Help Center.
3. Indicate how the element should be processed in **Processing Rules**.
   - Specify whether the element is nonrecurring or recurring during each payroll period or does it require explicit entry.
   - Choose whether to process the element only once in each payroll period.
   - Choose whether the element is subject to iterative processing.
4. Indicate if a corresponding employer-match element should be created and, if so, with or without employee contributions.

   Note: After the template creates this element, you must set the matching amounts through element entry.
5. Define the necessary values in a person's element entry.

How You Define Catch-Up Rules

In **Catch-up Rules**:

1. Indicate if your base element should have a corresponding catch-up element.

   If you select **No**, skip to the next section.

   By selecting **Yes**, the template creates a corresponding pretax element titled "`<base element name> Catch Up`".
2. Select the catch-up processing method.

Processing method	What it does
Concurrent	Deductions are taken at the same time as the base contributions.
Sequential	Deductions are taken only after the statutory maximum for the base contributions has been met. The catch-up deductions begin in the current pay period.

3. Specify the amount rule for the catch-up element.

How You Define Roth Rules

In Roth Rules:

1. Indicate if your base element should have a corresponding after-tax Roth element.

   If you select **No**, skip to the next section.

   By selecting **Yes**, the template creates a corresponding Roth after-tax element titled "**<base element name> Roth**".

   > **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

2. Specify the amount rule for the Roth element in an element entry.

   > **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

3. Indicate if a corresponding employer-match element should be created and, if so, with or without employee contributions.

   Selecting one of the **Yes** options creates a corresponding after-tax employer match element, titled "**<base element name> Roth Employer Match**".

   > **Note:** After the template creates this element, you must set the matching amounts through element entry.

4. Indicate if your Roth element should have a corresponding catch-up element.

   If so, specify its amount rule and processing method.

   By selecting **Yes**, the template creates a corresponding after-tax catch-up element titled "**<base element name> Roth Catch Up**".

   > **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

How You Define After-Tax Rules

In **After-Tax Rules**:

1. Indicate if your base element should have a corresponding after-tax element.

   If you select **No**, click **Next**.

   By selecting **Yes**, the template creates a corresponding after-tax element titled "**<base element name> Aftertax**".

   > **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

2. Specify the amount rule for the after-tax element.

   > **Note:** After the template creates this element, you must set the actual amounts to be withdrawn through element entry.

3. Specify the after-tax processing method for this element.
4. Indicate if a corresponding after-tax employer-match element should be created and, if so, with or without employee contributions.

Finish Up

Once you have set the necessary values:

1. Click **Next**.
2. Review your settings, and click **Submit**.
3. Depending on what options you selected in the template, and what associated elements were created, you must feed the appropriate balances.

   Balance feeds depend on the type of contribution and element:

   - For base contributions, feed the Deferred Compensation 401K Eligible Earnings and Total Deferred Compensation 401k Eligible Earnings predefined balances.
   - For catch-up contributions, feed the Other Pretax balance.

How You Feed the Predefined Balance

You use the Balance Definitions task to configure the feeds because the Elements task doesn't automatically feed a balance for tracking eligible earnings. You can configure deferred compensation calculations requiring eligible earnings, such as 401 (k), catch-up 401 (k), Roth 401 (k), catch-up Roth 401 (k), and after-tax 401 (k).

1. Start the Balance Definitions task.
2. Search for and select the predefined Deferred Compensation 401k Eligible Earnings balance.
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds and save your work.
6. Repeat these steps for the predefined Total Deferred Compensation 401k Eligible Earnings balance.

Related Topics

- Deferred Compensation Plans for the US
- Define Pretax Deduction Elements for the US
- Pretax Deductions for the US
- Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans

Considerations When Setting Up 403 (b) and 457 (b) Deferred Compensation Plans

Setting up 403 (b) and 457 (b) deferred compensation deductions is significantly different than setting up any other deduction type.

In addition to defining the Pretax Deductions and Voluntary Deductions elements, it involves capturing additional deduction info on the person's Benefits and Pensions calculation card.

How You Define the Base Contributions

To define the base contribution, use the Elements task and select the one of the following Pretax Deductions secondary classification.

- Deferred Compensation 403b
- Deferred Compensation 457

For further info, see the following in the Help Center.

- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

How You Configure Catch-Up and Employer-Match Deductions

Do not use the Elements task to define catch-up or employer-match deduction elements for your employees. The element template creates these elements for you. It does this based on the selections you make when you configure the person's Benefits and Pensions calculation card.

To view or manage the Benefit and Pensions card, use the Calculation Cards task. Select the plan you want to configure, and add the settings in **Enterable Calculation Values on Calculation Cards**.

You can create a Benefit and Pensions card for each employee as needed, do a mass data upload through the HCM Data Loader, or load pension data from another application to create the cards.

For further info, see the following in the Help Center.

- Benefits and Pensions Card for the US
- Special 457 (b) Catch-Up Contributions

How You Can Adjust the Contribution Limits

You can set overrides on plan contribution limits using the person's Benefit and Pensions card.

Use the Override IRS Limit calculation value to overrides the statutory employee base contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. Use this value to set a new limit.

Here are some reasons you may choose to adjust contribution limits.

- If an employee is contributing to multiple types of plans, such as 401 (k) and 403 (b), the limits apply to both plans and you need to account for that in each plan.
- When the employee has a 403 (b) plan and more than 15 years-of-service. Use the enterprise hire date to calculate the years of service. You can also override the setting to check for 15 years-of-service.

  For further info, see 403 (b) Plan 15 Years-of-Service Rule on the Help Center.
- When an employee is eligible for the special catch-up limit for 457 (b) deferred compensation plans.

  For further info, see Special 457 (b) Catch-Up Contributions on the Help Center.

Related Topics

- Benefits and Pensions Card for the US
- Contribution Limits for Deferred Compensation Plans
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
- Special 457 (b) Catch-Up Contributions

How Do I Configure 403 (b) Deferred Compensation Plans?

As an employer you can offer pretax, Roth, catch-up, and after-tax 403 (b) deductions. Both employee and employer contributions are available.

You use the Elements task to define 403 (b) pretax and voluntary deductions elements. Then you can capture the deduction info on the person's Benefits and Pensions calculation card. For further info, see Benefits and Pensions Card for the US in the Help Center.

> **Note:** Contribution limits for 403 (b) plans are the same as for 401 (k) plans, unless the 15 Years-of-Service rule applies.

You can define elements for these kinds of 403 (b) plans.

Plan type	How you use it	To define this element
403 (b)	This is retirement savings plan available for the employees of public schools, 501(c)(3) tax-exempt organizations, and eligible clergy. It is also known as a tax-sheltered annuity plan.	Define an element with the Pretax Deductions primary classification and Deferred Compensation 403b secondary classification. Select this component name when you configure the person's Benefits and Pensions card. To define employee match and catch-up contributions, use the person's Benefits and Pensions card.
After-Tax 403 (b)	These contributions are considered voluntary and contribute to the 403 (b) plan with after-tax dollars.	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 403b secondary classification.
Roth 403 (b)	This plan is similar to the 403 (b) plan but is funded with after-tax contributions from the participant.	Use the Elements task to create after-tax Roth elements using the Voluntary Deductions primary element classification and the Deferred Compensation 403b Roth secondary classification.

Define the Base Contributions

Setting up the base employee contributions for a 403 (b) plan involves multiple operations.

What you want to do	How you do it
Define the base deduction element	Use the Elements task.
Change the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.
Configure the Benefits and Pensions card	Use the Calculation Cards task to configure the card and the card components.
Set component subprocessing priorities	In the rare cases where you're defining multiple components of the same type, use **Subprocessing Order** to determine which is processed first. The lower the number, the higher the priority. Enter a lower or higher number to alter the default processing, depending on whether you want it processed before or after the existing card components.
Set up employer-match contributions	Use the Calculation Cards task to add the appropriate calculation values to the selected component.
Set up catch-up contributions	Use the Calculation Cards task to add the appropriate calculation values to the selected component.
Configure balance feeds for catch-up contributions	There are no predefined balance feeds for the pretax catch-up indirect elements. For the payroll process to properly calculate taxes for the catch-up contributions: 1. Start the Balance Definitions task. 2. Feed any 403 (b) catch-up results elements to the Other Pretax balance definition.

For further info, see the following sections.

Define the Base Deduction Element

You can define base contributions for 403 (b) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
Base 403 (b)	Pretax Deductions	Deferred Compensation 403b

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

> **Note:** When you create these elements, the element template creates multiple indirect elements, such as catch-up and employer-matching results elements.

For further info, see Example of Defining Elements for 403 (b) and After-Tax 403 (b) Deferred Compensation Plans in the Help Center.

Configure the Benefits and Pensions Card

The element template provides minimum configuration for your plan. To fully set up your plan, add it to your employees' Benefits and Pensions cards and complete its configuration.

You can use a data loader to create the card for multiple employees. However, bear in mind that most of these cards would require individual configuration to meet each person's requirements.

To configure the card for an individual employee:

1. In **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.

   Create it if it doesn't already exist.
5. For employees with multiple assignments, use the **Associations** node to select the assignment for this card.

   a. In **Calculation Card Overview**, select the **Associations** node.
   b. In **Association Details**, click **Add**.
   c. Select the assignment number, and choose the calculation component you want to associate with it.
   d. Click **OK**.

   If you don't select an assignment association, the payroll process distributes the deduction across all of them.
6. Add your 403 (b) plan element to the card.

   a. In **Calculation Card Overview**, select **Benefits**.
   b. In **Calculation Components**, click **Create** and select your base 403 (b) element name.

      Enter a new subprocessing order if needed.
   c. Click **OK**.
7. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.

   Employees choose whether to contribute a flat dollar amount or a percentage of their earnings per pay period.

   a. In **Calculation Components**, select the base element's row.
   b. Select **Enterable Calculation Values on Calculation Cards**.
   c. Click **Create**.
   d. For **Display Value**, select one of the following.

Display value	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in Rate as a percentage. For example, enter 5% as `05`.

Display value	What it does
	If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

8. Add other calculation values as needed, such as limit overrides.
   For further info, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
9. Save your work, and continue with employer-matching and catch-up contributions if required.

Set Up Employer-Match Contributions

An employer match is the amount the employer chooses to pay into a retirement account.

To set up employer matching for your compensation plan:

1. Start the Calculation Cards task.
2. Open the person's Benefits and Pensions card for editing.
   Calculation Components lists all plans you have added to the card.
3. Select the calculation component for the 403 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer Contribution**.
6. For **DisplayValue**, select one of the following.

Display value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of eligible earnings.

7. Click **OK**.
8. Set the employer-match amount.
   By default, this component matches $.50 for every $1 contributed by the employee. The employee is limited to 6% of their eligible earnings per pay period, so the maximum employer match would be 3%.

To change these settings:

a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Display value	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the employer-match contribution as a percentage of earnings. The default is 50%. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`.
Employer Contribution Limit Percentage	Add this calculation value to change the maximum amount of employer-match contributions. The default is 6% of the person's eligible earnings per pay period. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. This calculation value applies to employer-match and catch-up employer-match contributions.

c. Click **OK**.

9. If you're providing employer-match catch-up amounts, do the following.

a. Click **Create**, and select **Employer Catch-Up Contribution**.
b. For **Display Value**, select one of the following.

Display value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.

Display value	What it does
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation uses the same settings as for the base employer match.

c. Add the following values as appropriate.

Display value	What it does
Flat Amount for Employer Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`. If you add this, don't add **Percentage for Employer Catch-Up Contribution**.
Percentage for Employer Catch-Up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`. If you add this, don't add **Flat Amount for Employer Catch-Up Contribution**.
Employer Contribution Limit Percentage	Changes the maximum amount of employer-match contributions. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. The default is 6% of the person's pay per pay period. This calculation value applies to employer-match and catch-up employer-match contributions.

d. Click **OK**.

10. Add other calculation values as needed, such as limit overrides.
    For further info, see the following in the Help Center.
    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
11. Save your work, and continue with catch-up contributions if required.

Set Up Catch-Up Contributions

To define catch-up contributions for 403 (b) plans, use the person's Benefits and Pensions calculation card.

Note: Don't define elements with the Catch-Up secondary element classifications. The element template uses these secondary classifications to create results elements based on the deferred compensation elements you define.

To enable catch-up contributions:

1. Add the **Employee Catch-Up Contribution** calculation value to the 403 (b) component on the person's Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
   b. Select one of the following.

Display value	What it does
Flat Amount for Employee Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Catch-up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

   c. Click **OK**.
3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.
   In **Enterable Calculation Values on Calculation Cards**, add **Catch-Up Processing Rule** and choose a value.

Processing rule	What it does
Concurrent	The payroll process takes the deductions at the same time as the base contributions.
Sequential	The process doesn't take the catch-up deductions until the statutory maximum for the base contributions has been met. The catch-up deductions begin in the current pay period.

4. Use the **Adjusted Deferred Compensation Limit** and **Enforce the 15 year rule** calculation values to enforce the 15 Years-of-Service rule for eligible employees.
   For further info, see 403 (b) Plan 15 Years-of-Service Rule in the Help Center.
5. Add other calculation values as needed, such as limit overrides.
   For further info, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
6. Click **Save and Close**.

You can change the default settings using the Value Definitions task and use two overrides to manage the compensation limit. If you set **Adjusted Deferred Compensation Limit** to **Yes**, then the rule applies and checks for the 15 years-of-service. If you use the setting **Enforce the 15 year rule**, the rule applies without checking seniority.

> **Note:** The **Enforce 15 years of service rule** value overrides **Adjusted Deferred Comp Limit**. If you set **Enforce 15 years of service rule** to **Yes**, the payroll process applies the rule even if **Adjusted Deferred Comp Limit** is disabled.

Define After-Tax Contributions

If your deferred compensation plan supports after-tax contributions to pretax accounts, you can implement them through a combination of element definition and calculation card configuration.

After-tax elements are subject to the elective deferral and annual compensation limits. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.

Define the Base Deduction Element

You can create the base contribution elements through the Elements task.

Plan type	Primary classification	Secondary classification
After-tax 403 (b)	Voluntary Deductions	Pension Plan After Tax 403b

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

> **Note:** When you create these elements, the element template creates multiple indirect elements, such as Employee and Employer results elements.

Configure the Benefits and Pensions Card

To configure the person's card for after-tax contributions:

1. Use the Calculation Cards task to open their Benefits and Pensions card for editing.
2. Add your after-tax 403 (b) plan element to the card.
    a. In **Calculation Card Overview**, select the **Benefits** node.
    b. In **Calculation Components**, click **Create** and select your after-tax 403 (b) element name.

       Enter a new subprocessing order if needed.
    c. Click **OK**.

3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
    a. In **Calculation Components**, select the base element's row.
    b. Select **Enterable Calculation Values on Calculation Cards**.
    c. Click **Create**.
    d. For **Display Value**, select one of the following.

Display value	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

    e. Click **OK**.
4. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.
    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
5. Save your work, and continue with employer-matching contributions if required.

Set Up Employer-Match Contributions

To set up employer matching for your after-tax contributions:

1. Start the Calculation Cards task.
2. Open the person's Benefits and Pensions card for editing.

   Calculation Components lists all of the plans you have added to the card.
3. Select the calculation component for the after-tax 403 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer Contribution**.
6. For **Display Value**, select one of the following.

Display value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions.

Display value	What it does
	Note: Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of eligible earnings.

7. Click **OK**.
8. Set the employer-match amount.

   By default, this component matches $.50 for every $1 contributed by the employee. The employee is limited to 6% of their eligible earnings per pay period, so the maximum employer match would be 3%.

   To change these settings:

   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Display value	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the employer-match contribution as a percentage of eligible earnings. The default is 50%. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`. If you choose this, the payroll process draws the deductions from eligible earnings only.
Employer Contribution Limit Percentage	Changes the maximum amount of employer-match contributions. The default is 6% of the person's eligible earnings per pay period. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. This calculation value applies to employer-match and catch-up employer-match contributions.

c. Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

10. Click **Save and Close**.

Define Roth Contributions

Your deferred compensation plans can support Roth 403 (b) voluntary deductions, employer matching, and catch-up contributions.

Define the Base Deduction Element

You can create the base contribution elements through the Elements task.

Plan type	Primary classification	Secondary classification
Roth 403 (b)	Voluntary Deductions	Deferred Compensation 403b Roth

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

> **Note:** When you create these elements, the element template creates multiple indirect elements, such as Employee and Employer results elements.

Configure the Benefits and Pensions Card

To configure the person's card for after-tax contributions:

1. Use the Calculation Cards task to open their Benefits and Pensions card for editing.
2. Add your Roth 403 (b) plan element to the card.

   a. In **Calculation Card Overview**, select the **Benefits** node.
   b. In **Calculation Components**, click **Create** and select your Roth 403 (b) element name.

      Enter a new subprocessing order if needed.
   c. Click **OK**.

3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
    a. In **Calculation Components**, select the base element's row.
    b. Select **Enterable Calculation Values on Calculation Cards**.
    c. Click **Create**.
    d. For **Display Value**, select one of the following.

Display value	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

    e. Click **OK**.
4. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.
    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
5. Save your work, and continue with employer-matching and catch-up contributions if required.

Set Up Employer-Match Contributions

To set up employer matching for your Roth contributions:

1. Start the Calculation Cards task.
2. Open the person's Benefits and Pensions card for editing.

   Calculation Components lists all of the plans you have added to the card.
3. Select the calculation component for the Roth 403 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer contribution**.
6. For **Display Value**, select one of the following.

Display value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions.

Display value	What it does
	Note: Employer match deductions continue until the employer-match threshold is met, even if the employee has reached their deferred contribution limit for the year.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation uses the same settings as for the base employer match.

7. Click **OK**.
8. Set the employer-match amount.

   By default, this component matches $.50 for every $1 contributed by the employee. The employee is limited to 6% of their eligible earnings per pay period, so the maximum employer match would be 3%.

   To change these settings:

   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Display value	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the contribution as a percentage of eligible earnings. The default is 50%. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`.
Employer Contribution Limit Percentage	Add this calculation value to change the maximum amount of employer-match contributions. The default is 6% of the person's eligible earnings per pay period. Enter the value in Rate as a percentage. For example, enter 7% as `07`. This calculation value applies to employer-match and catch-up employer-match contributions.

   c. Click **OK**.

d. To change the maximum amount of employer-match contributions, add the Employer Contribution Limit Percentage calculation value. Enter the value in **Rate** as a percentage.

   For example, enter 7% as `07`.

   The default is 6% of the person's pay per pay period.

   This calculation value applies to employer-match and catch-up employer-match contributions.

e. Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

10. Save your work, and continue with catch-up contributions if required.

Set Up Catch-Up Contributions

Your deferred compensation plan can support catch-up contributions for Roth 403 (b) plans. Unlike 403 (b) catch-up contributions, these Roth contributions are calculated after tax. They're restricted to participants 50 years and older.

To set up Roth catch-up contributions for your eligible employees:

1. Add the **Employee Catch-Up Contribution** calculation value to the Roth 403 (b) component on the person's Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.

   a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
   b. Select one of the following.

Display value	What it does
Flat Amount for Employee Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Catch-Up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

   c. Click **OK**.

3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.
In **Enterable Calculation Values on Calculation Cards**, add **Processing Rule** and choose a value.

Display value	What it does
Concurrent	The payroll process takes the deductions at the same time as the base contributions.
Sequential	The process doesn't take the catch-up deductions until the statutory maximum for the base contributions has been met. The catch-up deductions begin in the current pay period.

4. Add other calculation values as needed, such as limit overrides.
For further info, see the following in the Help Center.
    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
5. Click **Save and Close**.

Other Considerations

When defining elements for 403 (b) or Roth 403 (b) deferred compensation plans, you have the following additional considerations.

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

Contribution Limits

The payroll process automatically enforces statutory limits on the deferred compensation contributions.

If your employee contributes to both 401 (k) and 403 (b) standard or Roth plans, the payroll process enforces the deferred compensation annual limit across the plans.

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

Tax Exemptions

In most cases, pretax deferred wages aren't subject to federal (FIT) or state income tax (SIT) withholding at the time of deferral. However, they're included as wages subject to Social Security, Medicare, and federal unemployment tax (FUTA). The payroll process takes this into account and automatically deducts the appropriate taxes during payroll calculation.

For further info, see the following in the Help Center.

- Involuntary Deduction Wage Basis Rules for the US
- Tax Wage Basis Rules for the US

Balances for Eligible Earnings

When you create an element that takes a percentage deduction, the payroll process doesn't take the deduction until you feed the eligible balance. The Elements task doesn't automatically establish this feed for tracking eligible earnings.

To identify the earnings to be used in these calculations:

1. Start the Balance Definitions task.
2. Search for and select the Deferred Compensation 403b Eligible Earnings predefined balance.
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for your eligible earnings results elements, and save your work.
6. Repeat these steps for the Total Deferred Compensation 403b Eligible Earnings predefined balance.

Note: If you're running multiple 403 (b) plans, they must use separate balances for each. You can use the predefined Deferred Compensation 403b Eligible Earnings and Total Deferred Compensation 403b Eligible Earnings balances for only one. For any additional plans, you must define and feed a new balance, copying the predefined one, and modify the appropriate fast formulas.

Reports

The following reports collect and display info about deferred compensation deductions.

Report	How you use it
Deduction Report	View details of payroll deductions processed for the specified period. For further info, see Deduction Report in the Help Center.
Element Results Register	View a listing of the elements and pay values processed for each payroll relationship action. For further info, see Element Results Register for the US in the Help Center.
Statement of Earnings	Consolidates all relevant info from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes info about personal info, payroll info, and tax and employment info, run results, messages, and balances. For further info, see How to View the Statement of Earnings for the US in the Help Center.

Related Topics

- Benefits and Pensions Card for the US
- Contribution Limits for Deferred Compensation Plans
- Deferred Compensation Plans for the US
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

403 (b) Plan 15 Years-of-Service Rule

The contribution limits for 403 (b) plans are the same as for 401 (k) plan, unless the 15 Years-of-Service rule applies.

To invoke this rule for eligible employees, you must enable the **Adjusted Deferred Comp Limit** calculation component.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.

3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.
5. Select their 403 (b) plan calculation component.
6. Click **Enterable Calculation Values on Calculation Cards**, and click **Create**.
7. Add the **Adjusted Deferred Comp Limit** value, and select **Yes**.
8. To set a new adjusted deferred compensation limit, add the **Override Adjusted Compensation Limit** value.
9. Click **OK**, and save your work.

To enforce this rule for an employee who doesn't meet 15 years-of-service eligibility:

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.
5. Select their 403 (b) plan calculation component.
6. Click **Enterable Calculation Values on Calculation Cards**, and click **Create**.
7. Add the **Enforce 15 years of service rule** value, and select **Yes**.
8. Click **OK**, and save your work.

Note: The **Enforce 15 years of service rule** value overrides **Adjusted Deferred Comp limit**. If you set **Enforce 15 years of service rule** to **Yes**, the payroll process applies the rule even if **Adjusted Deferred Comp Limit** is disabled.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans

Example of Defining Elements for 403 (b) and After-Tax 403 (b) Deferred Compensation Plans

In this example, you're defining a Pretax Deductions element for a 403 (b) deferred contribution plan.

Your company Benefits policy makes the following available to your employees.

Contribution type	What you're providing
Base 403 (b)	This includes employer-matching, catch-up, and employer-matching catch-up. Your employer-matching policy is to provide 25 percent matching base and catch-up contributions to the plan but only when the employee contributes. Your Benefits policy has increased your maximum employer-matching limit to 7 percent of the person's pay per period. For catch-up contributions, you process them concurrently with the base contributions.
After-tax 403 (b)	This consists of base after-tax contributions of a flat amount. There are no employer-matching or catch-up contributions.

Note: The steps in this example apply to defining a 403 (b) deferred compensation contribution plan. In most cases, you can also use these steps to define 457 (b) plans.

For this example, you have an employee that requires:

- 403 (b) deferred compensation contributions based on 5% of their income.
- Participation in base catch-up contributions based on 5% of their income.
- After-tax 403 (b) deferred compensation contributions based on a flat amount of $100.
- Although the hire date on the person's record doesn't reflect this, they're eligible for the 15 Years-of-Service rule.

This example involves multiple high-level steps.

What you want to	How you do it
Define the base contribution element	Use the Elements task. This includes defining elements for: • Base 403 (b) • After-tax 403 (b)
Create the Benefits and Pensions calculation card	Use the Calculation Cards task to create this card if it doesn't already exist.
Define the details of the base contributions	You define the element amount rules for the base contributions on the employee's Benefits and Pensions calculation card. This includes adding calculation values for: • Base contributions • Catch-up contributions • Employer-match contributions for base and catch-up • 15 Years-of-Service rule
Define the details of the after-tax contributions	You define the element amount rules for the after-tax contributions on the employee's Benefits and Pensions calculation card. This includes adding calculation values for base contributions.
Feed the balance for eligible earnings	Because you're taking percentage deductions, you must establish a feed for the eligible earnings and total eligible earnings balances.

How You Define the Base Contribution Elements

This involves defining elements for the base and after-tax contributions. For further info, see Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans in the Help Center.

To create the elements for your plans:

1. Start the Elements task.
2. Define the base 403 (b) element.
    a. Click **Create**.
    b. Select the **Pretax Deductions** and **Deferred Compensation 403b** options, and click **OK**.
    c. Set the element's basic info.

Field	What you enter
Name	`Example 403b plan`
Reporting Name	`Example 403b`
Effective date	Leave the default
Input Currency	Leave the default
What is the earliest entry date for this element	First Standard Earning Date
What is the latest entry date for this element	Last Standard Process Date
Process the element only once in each pay period	**No**
Can a person have more than one entity of this element in a pay period	No

d. Click **Next**.
e. For **Is this element subject to iterative processing**, choose **Yes**.

   For further info, see Iterative Processing for Pretax Deductions in the Help Center.
f. Click **Next**.
g. Review the summary, and click **Submit**.
h. Create element eligibility, and save your element.

3. Define the after-tax 403 (b) element.

   a. Click **Create**.
   b. Select the **Voluntary Deductions** and **Pension Plan After Tax 403b** options, and click **OK**.
   c. Set the element's basic info.

Field	What you enter
Name	`Example after-tax 403b plan`
Reporting Name	`Example after-tax 403b`

Field	What you enter
Effective date	Leave the default
Input Currency	Leave the default
What is the earliest entry date for this element	First Standard Earning Date
What is the latest entry date for this element	Last Standard Process Date
Process the element only once in each pay period	**No**
Can a person have more than one entity of this element in a pay period	No

   d. Click **Next**, and click **Next** again.
   e. Review the summary, and click **Submit**.
   f. Create element eligibility, and save your element.
4. Continue with the set up of the person's Benefits and Pensions card.

Get Started with the Benefits and Pensions Card

To configure the card:

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.

   Create it if it doesn't already exist.
5. Select **Benefits** under **Component Groups**.
6. Under **Calculation Components**, click **Create**.
7. Select **Example 403b plan**, and click **OK**.
8. Repeat to add the **Example after-tax 403b plan** element.

   You're now ready to configure the contribution details.

How You Define the Base Contribution Details

You set these contribution details as enterable calculation values on the card.

1. Under **Calculation Components**, select **Example 403b plan**.
2. Select **Enterable Calculation Values on Calculation Cards**, and click **Create**.

3. Add these calculation values.

Calculation value name	With this value	Why you're doing this
Percentage for Employee Contribution	05	The employee is contributing 5% of their income.
Employer Contribution	**Yes, with employee contributions**	Your Benefits policy provides employer-matching contributions only when the employee contributes.
Percentage for Employer Contribution	25	You're contributing 25% employer-match as a percentage of employee earnings.
Employee Catch-Up Contribution	**Yes**	This employee has opted for catch-up contributions.
Percentage for Employee Catch-Up Contribution	05	The employee is contributing 5% of their income.
Catch-Up Processing Rule	**Concurrent**	You're processing catch-up contributions concurrently with the base.
Employer Catch-Up Contribution	**Yes, with employee contributions**	Your Benefits policy provides employer-matching catch-up contributions only when the employee contributes.
Percentage for Employer Catch-Up Contribution	25	You're contributing 25% employer-match as a percentage of employee earnings.
Employer Contribution Limit Percentage	07	Your maximum employer-match limit is 7% of the person's pay per period.
Enforce 15 years of service rule	**Yes**	Although the hire date on this person's record doesn't reflect this, they're eligible for the 15 Years-of-Service rule.

4. Click **Save and Close**.

How You Define the After-Tax Contribution Details

You set these contribution details as enterable calculation values on the card.

1. Under **Calculation Components**, select **Example after-tax 403b plan**.
2. Click **Enterable Calculation Values on Calculation Cards**, and click **Create**.

3. Add these calculation values.

Calculation value name	With this value	Why you're doing this
Flat Amount for Employee Contribution	`100`	The employee is contributing $100 per pay period.

4. Click **Save and Close**.

How You Feed the Eligible Earnings Balance

When you create an element that takes a percentage deduction, the payroll process doesn't take the deduction until you feed the eligible earnings balance.

1. Start the Balance Definitions task.
2. Search for and select the **Deferred Compensation 403b Eligible Earnings** predefined balance.
3. Click **Edit** and then **Balance Feeds**.
4. Configure the feeds for your eligible earnings results elements, and save your work.
5. Repeat these steps for the Total Deferred Compensation 403b Eligible Earnings predefined balance.

Related Topics

- Deferred Compensation Plans for the US
- Define Pretax Deduction Elements for the US
- How Do I Configure Iterative Processing for Pretax Deductions
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- Pretax Deductions for the US
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans

Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

457 (b) deferred compensation plans help participants save for retirement.

Employees can choose one or more deductions from wages on a pretax, Roth, or after-tax basis. Catch-up options are available for participants that meet the age requirements, and employer matching is available if your organization supports it.

For further info, see Deferred Compensation Plans in the Help Center.

You use the Elements task to define 457 (b) pretax and voluntary deductions elements. Then you can capture the deduction info on the person's Benefits and Pensions calculation card. For further info, see Benefits and Pensions Card for the US in the Help Center.

> **Note:** Contribution limits for 457 (b) plans are the same as for 401 (k) plans, unless the 457 (b) special catch-up contributions apply. For further info, see Special 457 (b) Catch-Up Contributions in the Help Center.

You can define elements for these kinds of 457 (b) plans.

Plan type	Description	To define this element
457 (b)	Type of tax-qualified deferred compensation plan. In this plan, an employee can elect to have the employer contribute a portion of their cash wages to the plan on a pretax basis.	Define an element with the Pretax Deductions primary classification and Deferred Compensation 457 secondary classification. Select this component name when you configure the person's Benefits and Pensions card. For further info, see Select the Base Contribution Method below. To define employee match and catch-up contributions, use the person's Benefits and Pensions card.
After-Tax 457 (b)	These contributions are considered voluntary and contribute to the 457 (b) plan with after-tax dollars.	Define an element with the Voluntary Deductions primary classification and Pension Plan After Tax 457 secondary classification. For further info, see Define After-Tax Contributions below.
Roth 457 (b)	This plan is similar to the 457 (b) plan but is funded with after-tax contributions from the participant.	Use the Elements task to create after-tax Roth elements using the Voluntary Deductions primary element classification and the Deferred Compensation 457 Roth secondary classification. For further info, see Define Roth Contributions below.

Note: Set up of these plans is functionally identical to set up for 403 (b) compensation plans. For further info, see Example of Defining Elements for 403 (b) and After-Tax 403 (b) Deferred Compensation Plans in the Help Center.

Define the Base Contributions

Setting up the base employee contributions for a 457 (b) plan involves multiple operations.

What you want to do	How you do it
Define the base deduction element	Use the Elements task.
Change the element processing priorities	The element template automatically sets the appropriate processing priorities for the elements you define. If you need to change the processing priority for an element, use the Elements task to set a new value in **Priority**.
Configure the Benefits and Pensions card	Use the Calculation Cards to configure the card and the card components.
Set component subprocessing priorities	In the rare cases where you're defining multiple components of the same type, use **Subprocessing Order** to determine which is processed first.

What you want to do	How you do it
	The lower the number, the higher the priority. Enter a lower or higher number to alter the default processing, depending on whether you want it processed before or after the existing card components.
Set up employer-match contributions	Use the Calculation Cards task to add the appropriate calculation values to the selected component.
Set up catch-up contributions	Use the Calculation Cards task to add the appropriate calculation values to the selected component.
Configure balance feeds for catch-up contributions	There are no predefined balance feeds for the pretax catch-up indirect elements. For the payroll process to properly calculate taxes for the catch-up contributions, use the Balance Definitions task to feed any 457 (b) catch-up results elements to the Other Pretax balance definition.

For further info, see the following sections.

Define the Base Deduction Element

You can define base contributions for 457 (b) plans through the Elements task.

Deduction type	Primary classification	Secondary classification
Base 457 (b)	Pretax Deductions	Deferred Compensation 457

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

Note: When you create these elements, the element template creates multiple indirect elements, such as catch-up and employer-matching results elements.

Configure the Benefits and Pensions Card

The element template provides minimum configuration for your plan. To fully set up your plan, you must add it to your employees' Benefits and Pensions cards and complete its configuration.

You can use a data loader to create the card for multiple employees. However, bear in mind that most of these cards would require individual configuration to meet each person's requirements.

To configure the card for an individual employee:

1. In **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the employee.
4. Open their Benefits and Pensions card for editing.
   Create it if it doesn't already exist.
5. For employees with multiple assignments, use the **Associations** node to select the assignment for the card.
   a. In **Calculation Card Overview**, select the **Associations** node.
   b. In **Association Details**, click **Add**.
   c. Select the assignment number, and choose the calculation component you want to associate with it.

d. Click **OK**.

If you don't select an assignment association, the payroll process distributes the deduction across all of them.

6. Add your 457 (b) plan element to the card.
   a. In **Calculation Card Overview**, select **Benefits**.
   b. In **Calculation Components**, click **Create** and select your base 457 (b) element name.
      Enter a new subprocessing order if needed.
   c. Click **OK**.
7. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   Employees choose whether to contribute a flat dollar amount or a percentage of their earnings per pay period.
   a. In **Calculation Components**, select the base element's row.
   b. Select **Enterable Calculation Values on Calculation Cards**.
   c. Click **Create**.
   d. For **Name**, select one of the following.

Name	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

8. Add other calculation values as needed, such as limit overrides.
   For further info, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
9. Save your work, and continue with employer-matching and catch-up contributions if required.

Set Up Employer-Match Contributions

An employer match is the amount the employer chooses to pay into a retirement account.

To set up employer matching for your compensation plan:

1. Start the Calculation Cards task.
2. Open the person's Benefits and Pensions card for editing.
   Calculation Components lists all of the plans you have added to the card.
3. Select the calculation component for the 457 (b) plan you want to manage.

4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer Contribution**.
6. For **Value**, select one of the following.

Value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer-matching contributions continue when: - Employee has reached their yearly contribution limit. - Employer-match threshold hasn't been met.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of earnings.

7. Click **OK**.
8. Set the employer-match amount.
   By default, this component matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period.
   To change this amount:
   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Name	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`.
Employer Contribution Limit Percentage	To change the maximum amount of employer-match contributions, add the Employer Contribution Limit Percentage calculation value. Enter the value in **Rate** as a percentage.

Name	What it does
	For example, enter 7% as `07`. The default is 6% of the person's pay per pay period. This calculation value applies to employer-match and catch-up employer-match contributions.

c. Click **OK**.

9. If you're providing employer-match catch-up amounts, do the following.

a. Click **Create**, and select **Employer Catch-Up Contribution**.
b. For **Value**, select one of the following.

Value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer-matching contributions continue when: - Employee has reached their yearly contribution limit. - Employer-match threshold hasn't been met.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of earnings.

c. Add the following values as appropriate.

Name	What it does
Flat Amount for Employer Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`. If you add this, don't add **Percentage for Employer Catch-Up Contribution**.
Percentage for Employer Catch-Up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`.

Name	What it does
	If you add this, don't add **Flat Amount for Employer Catch-Up Contribution**.
Employer Contribution Limit Percentage	Changes the maximum amount of employer-match contributions. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. The default is 6% of the person's pay per pay period. This calculation value applies to employer-match and catch-up employer-match contributions.

d. Click **OK**.

10. Add other calculation values as needed, such as limit overrides.

    For further info, see the following in the Help Center.

    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

11. Save your work, and continue with catch-up contributions if required.

Set Up Catch-Up Contributions

To define catch-up contributions for 457 (b) plans, use the person's Benefits and Pensions calculation card.

> **Note:** Do not attempt to define elements with the Catch-Up secondary element classifications. The element template uses these secondary classifications to create results elements based on the deferred compensation elements you define.

To enable catch-up contributions:

1. Add the **Employee Catch-Up Contribution** calculation value to the 457 (b) component on the person's Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.

    a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
    b. Select one of the following.

Name	What it does
Flat Amount for Employee Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.

Name	What it does
Percentage for Employee Catch-up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

c. Click **OK**.

3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.

   In **Enterable Calculation Values on Calculation Cards**, add **Catch-Up Processing Rule** and choose a value.

Processing rule	What it does
Concurrent	The payroll process takes the deductions at the same time as the base contributions.
Sequential	The process doesn't take the catch-up deductions until the statutory maximum for the base contributions has been met. The catch-up deductions begin in the current pay period.

4. For eligible employees, use the **Employee Eligible for Special 457 (b) Catch-Up Contributions** calculation value to enable the special catch-up contributions.

   For further info, see Special 457 (b) Catch-Up Contributions in the Help Center.

5. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

6. Click **Save and Close**.

Define After-Tax Contributions

If your deferred compensation plan supports after-tax contributions to pretax accounts, you can implement them through a combination of element definition and calculation card configuration.

After-tax elements are subject to the elective deferral and annual compensation limit. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.

Define the Base Deduction Element

You can create the base contribution elements through the Elements task.

Plan type	Primary classification	Secondary classification
After-tax 457 (b)	Voluntary Deductions	Pension Plan After Tax 457

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

Note: When you create these elements, the element template create multiple indirect elements, such as Employee and Employer results elements.

Configure the Benefits and Pensions Card

To configure the person's card for after-tax contributions:

1. Use the Calculation Cards task to open their the Benefits and Pensions card for editing.
2. Add your after-tax 457 (b) plan element to the card.
    a. In **Calculation Card Overview**, select the **Benefits** node.
    b. In **Calculation Components**, click **Create** and select your after-tax 457 (b) element name.

       Enter a new subprocessing order if needed.
    c. Click **OK**.
3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
    a. In **Calculation Components**, select the base element's row.
    b. Select **Enterable Calculation Values on Calculation Cards**.
    c. Click **Create**.
    d. For **Name**, select one of the following.

Name	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $100 as `100.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

    e. Click **OK**.

4. Add other calculation values as needed, such as limit overrides.
   For further info, see the following in the Help Center.
   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
5. Save your work, and continue with employer-matching contributions if required.

Set Up Employer-Match Contributions

To set up employer matching for your after-tax contributions:

1. Start the Calculation Cards task.
2. Open the person's Benefits and Pensions card for editing.
   Calculation Components lists all of the plans you have added to the card.
3. Select the calculation component for the after-tax 457 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer Contribution**.
6. For **Value**, select one of the following.

Value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer-matching contributions continue when: - Employee has reached their yearly contribution limit. - Employer-match threshold hasn't been met.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of earnings.

7. Click **OK**.
8. Set the employer-match amount.
   By default, this component matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period.
   To change this amount:
   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Name	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`. If you choose this, the payroll process draws the deductions from eligible earnings only.
Employer Contribution Limit Percentage	Changes the maximum amount of employer-match contributions. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. The default is 6% of the person's pay per pay period. This calculation value applies to employer-match and catch-up employer-match contributions.

c. Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

10. Click **Save and Close**.

Define Roth Contributions

Your deferred compensation plans can support Roth 457 (b) voluntary deductions, employer matching, and catch-up contributions.

Define the Base Deduction Element

You can create the base contribution elements through the Elements task.

Plan type	Primary classification	Secondary classification
Roth 457 (b)	Voluntary Deductions	Deferred Compensation 457 Roth

These elements don't have input values. You perform any additional settings for these contributions through the person's Benefits and Pensions card.

Note: When you create these elements, the element template create multiple indirect elements, such as Employee and Employer results elements.

Configure the Benefits and Pensions Card

To configure the person's card for after-tax contributions:

1. Use the Calculation Cards task to open their the Benefits and Pensions card for editing.
2. Add your Roth 457 (b) plan element to the card.
    a. In **Calculation Card Overview**, select the **Benefits** node.
    b. In **Calculation Components**, click **Create** and select your Roth 457 (b) element name.

       Enter a new subprocessing order if needed.
    c. Click **OK**.
3. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
    a. In **Calculation Components**, select the base element's row.
    b. Select **Enterable Calculation Values on Calculation Cards**.
    c. Click **Create**.
    d. For **Name**, select one of the following.

Name	What it does
Flat Amount for Employee Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employee Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

    e. Click **OK**.
4. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.
    - Contribution Limits for Deferred Compensation Plans
    - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
5. Save your work, and continue with employer-matching and catch-up contributions if required.

Set Up Employer-Match Contributions

To set up employer matching for your Roth contributions:

1. Start the Calculation Cards task.

2. Open the person's Benefits and Pensions card for editing.

   Calculation Components lists all of the plans you have added to the card.
3. Select the calculation component for the Roth 457 (b) plan you want to manage.
4. Select **Enterable Calculation Value on Calculation Cards**.
5. Click **Create**, and select **Employer contribution**.
6. For **Value**, select one of the following.

Value	What it does
No	No employer matching for your compensation plan.
Yes, with employee contributions	Applies employer-matching amounts based on employee contributions. **Note:** Employer-matching contributions continue when: o Employee has reached their yearly contribution limit. o Employer-match threshold hasn't been met.
Yes, without employee contributions	Applies an employer match even if the employee doesn't contribute. The match calculation remains 50% of the 6% of earnings.

7. Click **OK**.
8. Set the employer-match amount.

   By default, this component matches $.50 for every $1 contributed by the employee, up to 6% of their pay per pay period.

   To change this amount:

   a. In **Enterable Calculation Value on Calculation Cards**, click **Create**.
   b. Select whether the employer match is a flat amount or a percentage of employee earnings per pay period.

Name	What it does
Flat Amount for Employer Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.
Percentage for Employer Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 25% as `25`.

Name	What it does
Employer Contribution Limit Percentage	Changes the maximum amount of employer-match contributions. Enter the value in **Rate** as a percentage. For example, enter 7% as `07`. The default is 6% of the person's pay per pay period. This calculation value applies to employer-match and catch-up employer-match contributions.

c. Click **OK**.
d. To change the maximum amount of employer-match contributions, add the Employer Contribution Limit Percentage calculation value. Enter the value in **Rate** as a percentage.

   For example, enter 7% as `07`.

   The default is 6% of the person's pay per pay period.

   This calculation value applies to employer-match and catch-up employer-match contributions.
e. Click **OK**.

9. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

10. Save your work, and continue with catch-up contributions if required.

Set Up Catch-Up Contributions

Your deferred compensation plan can support catch-up contributions for Roth 457 (b) plans. Unlike 457 (b) catch-up contributions, these Roth contributions are calculated after tax. They're restricted to participants 50 years and older.

To set up Roth catch-up contributions for your eligible employees:

1. Add the **Employee Catch-Up Contribution** calculation value to the Roth 457 (b) component on the person's Benefits and Pensions card, and select **Yes**.
2. Define whether the employee contributes a flat dollar amount or a percentage of their earnings per pay period.
   a. In **Enterable Calculation Values on Calculation Cards**, click **Create**.
   b. Select one of the following.

Name	What it does
Flat Amount for Employee Catch-Up Contribution	Represents the amount of the contribution in USD. Enter the value in **Amount**. For example, enter $1000 as `1000.00`.

Name	What it does
Percentage for Employee Catch-Up Contribution	Sets the contribution as a percentage of earnings. Enter the value in **Rate** as a percentage. For example, enter 5% as `05`. If the employee chooses this, the payroll process draws the deductions from eligible earnings only.

c. Click **OK**.

3. Define how the payroll process calculates the catch-up contributions in relation to the base contributions.

   In **Enterable Calculation Values on Calculation Cards**, add **Processing Rule** and choose a value.

Processing rule	What it does
Concurrent	The payroll process takes the deductions at the same time as the base contributions.
Sequential	The process doesn't take the catch-up deductions until the statutory maximum for the base contributions has been met. The catch-up deductions begin in the current pay period.

4. For eligible employees, use the **Employee Eligible for Special 457 (b) Catch-Up Contributions** calculation value to enable the special catch-up contributions.

   For further info, see Special 457 (b) Catch-Up Contributions in the Help Center.

5. Add other calculation values as needed, such as limit overrides.

   For further info, see the following in the Help Center.

   - Contribution Limits for Deferred Compensation Plans
   - Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

6. Click **Save and Close**.

Other Considerations

When defining elements for 457 (b) deferred compensation plans, you have the following additional considerations.

For info about compensation limits, see Compensation Limits for Deferred Compensation Plans in the Help Center.

Contribution Limits

The payroll process automatically enforces statutory limits on the deferred compensation contributions.

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

Tax Exemptions

In most cases, pretax deferred wages aren't subject to federal (FIT) or state income tax (SIT) withholding at the time of deferral. However, they're included as wages subject to Social Security, Medicare, and federal unemployment tax (FUTA). The payroll process takes this into account and automatically deducts the appropriate taxes during payroll calculation.

For further info, see the following in the Help Center.

- Involuntary Deduction Wage Basis Rules for the US
- Tax Wage Basis Rules for the US

Balances for Eligible Earnings

When you create an element that takes a percentage deduction, the payroll process doesn't take the deduction until you feed the eligible balance. The Elements task doesn't automatically establish this feed for tracking eligible earnings.

To identify the earnings to be used in these calculations:

1. Start the Balance Definitions task.
2. Search for and select the Deferred Compensation 457 Eligible Earnings predefined balance.
3. Click **Edit**.
4. Click **Balance Feeds**.
5. Configure the feeds for your eligible earnings results elements, and save your work.
6. Repeat these steps for the Total Deferred Compensation 457 Eligible Earnings predefined balance.

Note: If you're running multiple 457 (b) plans, they must use separate balances for each. You can use the predefined Deferred Compensation 457 Eligible Earnings and Total Deferred Compensation 457 Eligible Earnings balances for only one. For any additional plans, you must define and feed a new balance, copying the predefined one, and modify the appropriate fast formulas.

Reports

The following reports collect and display info about deferred compensation deductions.

Report	How you use it
Deduction Report	View details of payroll deductions processed for the specified period. For further info, see Deduction Report in the Help Center.
Element Results Register	View a listing of the elements and pay values processed for each payroll relationship action. For further info, see Element Results Register for the US in the Help Center.
Statement of Earnings	Consolidates all relevant info from a payroll run or a prepayment into a single report, so the results can be easily viewed and verified. Includes info about personal info, payroll info, and tax and employment info, run results, messages, and balances.

Related Topics

- Benefits and Pensions Card for the US
- Contribution Limits for Deferred Compensation Plans
- Deferred Compensation Plans for the US
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- Special 457 (b) Catch-Up Contributions

Special 457 (b) Catch-Up Contributions

For eligible employees, you can enable special catch-up contributions for their 457 (b) plans.

Before setting up these elements, consider the following.

- Employee eligibility
- How these contributions work
- Enabling these contributions
- Disabling these contributions
- Configuring Multiple Plans
- Configuring underutilized contributions

What Employees Are Eligible

It's your responsibility to determine when an employee is eligible to start taking special catch-up contributions.

It's also your responsibility to determine when they're no longer eligible.

How These Contributions Work

For employees with these contributions enabled:

- Special catch-up contributions don't begin until the person reaches their base contribution limit.

  This limit always uses the sequential processing rule.
- Once they begin, the payroll process no longer processes the standard catch-up contributions.
- The process uses the base 457 (b) contribution deduction amount or rate for these deductions.
- If the employee has both special catch-up and base catch-up contributions, the process ignores the base catch-up contributions.
- If an employee is contributing to base catch-up, they can switch their plan to special catch-up only at the beginning of the year (January 01). The reverse is also true.
- The process doesn't look back further than 3 years when determining underutilized contributions.

  If you mark a person as eligible, but you don't set an underutilized contribution amount, the payroll process doesn't take the deduction.
- The process enforces the lower of these limits.
  - Twice the annual base contribution limit

- The annual base contribution limit + underutilized amount contributions

How You Enable These Contributions

For eligible employees:

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.
5. Click **Enterable Calculation Values on Calculation Cards**, and click **Create**.
6. Search for the **Employee Eligible for Special 457 (b) Catch-Up Contributions** value.
7. Select **Yes**, and click **OK**.
8. Save and submit your changes.

How You Disable Them

If an employee is no longer eligible for these contributions, end-date **Employee Eligible for Special 457 (b) Catch-Up Contributions** on their card component. Use the appropriate calendar year as the effective date, based on number of years allowed by the plan.

How to Handle Employees in Multiple Plans

An employee can participate in multiple 457 (b) plans. If that's the case, consider the following.

- They can't be a mix of special catch-up and age 50 catch-up contributions across the plans. They all must be one or the other.

How to Configure Underutilized Contributions

It's your responsibility to calculate the person's accumulated underutilized contributions.

> **Note:** You may need to run the Element Upgrade before this functionality is available. For further info, see Oracle Cloud Human Capital Management for the United States: Element Upgrade Flow (2458385.1) on My Oracle Support.

Perform these steps to enter the accumulated value.

> **Note:** When you run the Start-of-Year flow using the **457 limit update** data type, it end-dates the **Accumulated Underutilized Contributions for Special 457 (b) Catch-Up** calculation value as of 12/31 for the previous effective year. If your plan allows multiple years to contribute to special catch-up, you must recreate this calculation value each calendar year with the updated amount.

1. From **My Client Groups**, click **Payroll**.
2. Click **Calculation Cards**.
3. Search for and select the person.
4. Open their Benefits and Pensions card for editing.
5. Set an effective date if necessary.
6. Click **Enterable Calculation Values on Calculation Cards**, and click **Create**.
7. Search for the **Accumulated Underutilized Contributions for Special 457 (b) Catch-Up** value.
8. Enter the amount of underutilized contributions, and click **OK**.
9. Save and submit your changes.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
- Start-of-Year Process Flow

Limits and Overrides for 403 (b) and 457 (b) Deferred Compensation Plans

When configuring a deferred compensation plan for an employee, you can enable and configure a wide variety of limits and overrides.

You set these as calculation values on the person's Benefits and Pensions card. They apply to 403 (b), 457 (b), Roth 403 (b), and Roth 457 (b) plans.

Calculation value	What it does
Adjusted Deferred Compensation Limit	This is valid for 403 (b) and Roth 403 (b) plans. Applies to employees eligible to the 15 Years-of-Service rule. Set this value to **Yes** to enforce the Adjusted Deferred Compensation Annual Limit 403b to their 403 (b) base and catch-up contributions. For further info, see 403 (b) Plan 15 Years-of-Service Rule in the Help Center.
Catch-Up Processing Rule	Use this value to define how employee catch-up contributions are deducted. • Concurrent • Sequential For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Employee Catch-Up Contribution	Use this value to enable employee catch-up contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Employer Catch-Up Contribution	Use this value to enable employer-matching catch-up contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

Calculation value	What it does
Employer Contribution	Use this value to enable employer-matching contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Employer Contribution Limit Percentage	This limit is the maximum amount of matching contributions an employer can provide, measured as a percentage of the employee's pay per period. Use this value only when you want to override the predefined value. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Enforce Eligible Compensation Limit	This enforces the IRS annual compensation limit check for contributions. If you select **No**, the payroll process continues to perform employee deductions up to the annual deduction limit, even if the annual compensation limit has been reached. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Center.
Enforce Employer Catch-Up Compensation Limit	Use this value when defining employer-matching catch-up contributions.
Enforce Employer Compensation Limit	Use this value when defining employer-matching contributions.
Enforce the 15 years of service	This is valid for 403 (b) and Roth 403 (b) plans. Select **Yes** to apply the 15 Years-of-Service rule to an ineligible person. **Note:** This value overrides Adjusted Deferred Compensation Limit. If Adjusted Deferred Compensation Limit is set to **No**, but this is **Yes**, the payroll process applies the 15 Years-of-Service rule to the person. For further info, see 403 (b) Plan 15 Years-of-Service Rule in the Help Center.
Flat Amount for Employee Catch-Up Contribution	Use this value when defining employee catch-up contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Flat Amount for Employee Contribution	Use this value when defining employee base contributions. For further info, see the following in the Help Center. • Set Up 403 (b) Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

Calculation value	What it does
Flat Amount for Employer Catch-Up Contribution	Use this value when defining employer-matching catch-up contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Flat Amount for Employer Contribution	Use this value when defining employer-matching contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Override Adjusted Deferred Compensation Limit	Overrides the Adjusted Deferred Compensation Limit.
Override IRS Annual Compensation Limit	Overrides the Eligible Compensation Annual Limit 403b limit for employee contributions.
Override IRS Employer Annual Compensation Limit	Overrides the eligible compensation annual limit for 403 (b) and Roth 403 (b) employer-matching contributions.
Override IRS Employer Catch-Up Annual Compensation Limit	Overrides the eligible compensation annual limit for 403 (b) and Roth 403 (b) employer-matching catch-up contributions.
Override IRS Limit	Overrides the statutory annual employee base and Roth 403 (b) and 457 (b) contribution limit as enforced by the IRS. This assists in preventing overpayment into contributions. For example, if an employee is contributing to multiple plans, use this value. It overrides the statutory employee contribution limit to help ensure the maximum isn't exceeded. For further info, see Contribution Limits for Deferred Compensation Plans in the Help Portal.
Partial Deduction Allowed	Allows partial contributions: • When earnings are insufficient to take the full deduction • In the pay period when legislative limits are met Applies to 403 (b), 403 (b) after-tax, 457 (b), 457 (b) after-tax, Roth 403 (b), and Roth 457 (b) elements.
Percentage for Employee Catch-Up Contribution	Use this value when defining employee catch-up contributions. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Percentage for Employee Contribution	Use this value when defining employee base contributions. Use this value only when you want to override the predefined value. For further info, see the following in the Help Center.

Calculation value	What it does
	• Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Percentage for Employer Catch-Up Contribution	Use this value only when overriding the default employer-matching catch-up contribution of 50%. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans
Percentage for Employer Contribution	Use this value only when overriding the default employer-matching contribution of 50%. For further info, see the following in the Help Center. • Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans • Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

Related Topics

- 403 (b) Plan 15 Years-of-Service Rule
- Contribution Limits for Deferred Compensation Plans
- Deferred Compensation Plans for the US
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

What are the contribution limits for deferred compensation plans?

The payroll process automatically enforces statutory limits on deferred compensation contributions at the payroll statutory unit (PSU) or tax reporting unit (TRU) levels.

> **Note:** If your employee contributes to both 401 (k) and 403 (b) standard or Roth plans, the payroll process enforces the deferred compensation annual limit across the plans. Employees can participate in multiple plans of different types, such as 401 (k) and 403 (b). As their employer, you're responsible for tracking all elective deferrals contributing to the imposed statutory limit.

The payroll process enforces these limits based on a variety of factors, such as:

- Age of the employee, such as eligibility for catch-up contributions
- Their seniority, such as whether or not they're eligible for the 15 Years-of-Service rule
- Number of years before retirement, such as eligibility for the 457 (b) Special Catch-Up limit
- Type of plan

The IRS Internal Revenue Code has established the following limits on how an employee may contribute to their plans.

Contribution limit	What it does
Adjusted Deferred Compensation Limit 403b	Special limit for employees eligible for the 15 Years-of-Service rule. The payroll process enforces this limit when you enable **Adjusted Deferred Compensation Limit** on the person's card.
Deferred Compensation 401k Annual Limit Deferred Compensation 403b Annual Limit Deferred Compensation 457 Annual Limit	This is the annual limit for base and Roth contributions of the appropriate plan types. It doesn't include any employer-match, after-tax, or catch-up contributions. **Note:** If your employee contributes to both 401 (k) and 403 (b) standard or Roth plans, the payroll process enforces the deferred compensation annual limit across both plans.
Deferred Compensation 401k Catch-Up Annual Limit Deferred Compensation 403b Catch-Up Annual Limit Deferred Compensation 457 Catch-Up Annual Limit	This is the annual limit for catch-up and Roth catch-up contributions of the appropriate plan types. It doesn't include employer-match contributions. **Note:** If your employee contributes to both 401 (k) and 403 (b) standard or Roth plans, the payroll process enforces the deferred compensation annual limit across both plans.
Deferred Compensation 401k Puerto Rico Annual Limit	This is the annual limit for Puerto Rico 401 (k) or CODA contributions.
Deferred Compensation 401k Puerto Rico Catch Up Annual Limit	This is the annual limit for Puerto Rico 401 (k) or CODA catch-up contributions.
Elective Deferral Limit Elective Deferral Limit 403b Elective Deferral Limit 457	This is the combined pretax and after-tax annual limit for all employee and employer contributions to the appropriate plan types. It applies to all contribution types for the appropriate element types.
Eligible Compensation Annual Limit Eligible Compensation Annual Limit 403b	This limit sets the maximum amount of compensation considered when calculating employer and employee contributions to the appropriate plan types. The payroll process uses this to determine the amount available for contributions and employer matching. It applies to all contribution types for the appropriate element types.
Employer Contribution Limit Percentage	This limit is the maximum amount of matching contributions an employer can provide, measured as a percentage of the employee's pay per period. The default is 6% of the person's pay per pay period.
Employer Contribution Percentage	Percentage of employee 401 (k) base contributions matched by the employer. The default is 50% of the person's pay per pay period.
Percentage for Employer Contribution	Percentage of employee 403 (b) and 457 (b) base contributions matched by the employer. The default is 50% of the person's pay per pay period.

Contribution limit	What it does
Special Catch-Up Limit	This is a special 457 (b) plan limit for employees 3 years from retiring. **Note:** This payroll process applies this limit if you set one of these to **Yes**. • **Employee Eligible for Special Catch-Up** value definition You set this for your legislative data group (LDG). When you select Yes, it applies to all employees in the LDG. • **Employee Eligible for Special 457 (b) Catch-Up Contributions** on the person's card component

To view these limits:

1. Start the Calculation Value Definition task.
2. Select your US legislative data group (LDG), and search for the **Pretax Deductions** value definition group.
3. Select the appropriate value to view its statutory limits.

How Concurrent Catch-Up Deductions Are Calculated

When you set up catch-up contributions for deferred compensation deductions, such as 401 (k) and 403 (b), you can elect that the payments be deducted concurrently with the base payments.

This means that with each pay period, the payroll process applies two deductions, one for the base contribution and one for the catch up, up to the yearly statutory limits.

What Settings Affect Concurrent Processing

When you define the element for 401 (k) or Roth 401 (k), select **Concurrent** as the catch-up processing method. This allows concurrent processing of the deductions.

For 403 (b), 457 (b), Roth 403 (b), and Roth 457 (b) deferred compensation deductions, you select the concurrent catch-up processing method through the **Catch-Up Processing Rule** calculation value on the person's Benefits and Pensions card.

How the Payroll Process Calculates Concurrent Deductions

When you start a payroll run, here's how the process calculates the base and catch-up contributions.

1. Calculates the regular contribution amount based on the base contribution element's settings.
2. If the statutory limits for regular contributions haven't yet been met, deducts the regular contribution.
3. Calculates the catch-up contribution amount based on the catch-up deduction element's settings.
4. If the statutory limits for catch-up contributions haven't yet been met, deducts the catch-up contribution. This amount is deducted at the same time as the base contribution.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Define Pretax Deduction Elements for the US
- Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

How Sequential Catch-Up Deductions Are Calculated

When you set up catch-up contributions for deferred compensation deductions, such as 401 (k) and 403 (b), you can elect that the payments should be deducted subsequently to the base payments.

This means that the catch-up deductions don't begin until the base contributions have met their yearly statutory limits.

What Settings Affect Sequential Processing

When you define the element for 401 (k) or Roth 401 (k), select **Sequential** as the catch-up processing method. This allows sequential processing of the deductions.

For 403 (b), 457 (b), Roth 403 (b), and Roth 457 (b) deferred compensation deductions, you select the concurrent catch-up processing method through the **Catch-Up Processing Rule** calculation value on the person's Benefits and Pensions card.

How the Payroll Process Calculates Sequential Deductions

When you start a payroll run, here's how the process calculates the base and catch-up contributions.

1. Calculates the regular contribution amount based on the base contribution element's settings.
2. If the statutory limits for regular contributions haven't yet been met, the process deducts the regular contribution.
3. If the year-to-date regular deduction limits have been met, the catch-up contributions start. These contributions start during the current pay period.

   It calculates the catch-up contribution amount based on the catch-up deduction element's settings.
4. If the statutory limits for catch-up contributions haven't yet been met, it deducts the catch-up contribution.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Define Pretax Deduction Elements for the US
- Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans
- Set Up 403 (b) and Roth 403 (b) Deferred Compensation Plans
- Set Up 457 (b) and Roth 457 (b) Deferred Compensation Plans

FAQs for Pretax Deductions

How can I change an employee's deferred compensation contribution amount?

An employee can change their contribution amount an unlimited number of times throughout the year, and they can participate in multiple plans in a tax year.

If you're managing your plans internally, make these changes through element entry.

If you have out-sourced your plan management to a third party, these employee requests would be fulfilled through the third-party provider's automated processes.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Deferred Compensation Plans for the US
- How can I track an employee's deferred compensation contribution amount

How can I track an employee's deferred compensation contribution amount?

In cases where an employee has multiple deferred compensation deductions, you must ensure their totals don't exceed the statutory limits for each compensation type.

The legislative limit is defined through the Deduction Range task. Use the Override IRS Limit input value to prevent overpayments.

Related Topics

- Contribution Limits for Deferred Compensation Plans
- Deferred Compensation Plans for the US
- How can I change an employee's deferred compensation contribution amount

How do I add an employee's 401 (k) contributions from a previous employer to their current annual balance?

An employee hired midyear would be expected have been contributing to their 401 (k) through their previous employer.

The combined contributions between the old employer and new employer can't exceed the maximum limits mandated by the IRS. For such employees, you must update the their year-to-date deferred compensation balances to keep them from exceeding the annual limits. This is accomplished using the element's Override IRS Limit input value to lower the maximum limit for the year.

Related Topics

- Contribution Limits for Deferred Compensation Plans

How do I manage 401 (k) plan contributions for employees with multiple assignments?

If an employee has multiple assignments, and you have defined their 401 (k) deduction element at the assignment level, then you must provide an element entry for each assignment.

The yearly total of all the elements combined can't exceed the IRS annual limit set at the legislation level.

Related Topics

- Contribution Limits for Deferred Compensation Plans

How do I set up employer contribution matching for 401 (k)?

When using the Elements task to create a 401 (k) contribution element, you're asked if your new element should have an employer match contribution associated with it.

If you choose **Yes**, the template automatically creates an indirect element and assigns a name based on the base element's name, such as " Employer Match". The default employer contribution match is $.50 for every $1 contributed by the employee, with a maximum limit of 6% of the employee's pay per pay period. However, you can override these values through the element's input values.

For employees hired midyear, it's possible they have had employer-matching contributions through their previous employment. To ensure contributions don't exceed the statutory maximum, enter the employee-specific statutory limit in the contribution element's Override IRS Limit input value, set through the element entry. If you do this, you must remember to remove the override for the next tax year.

Related Topics

- Set Up 401 (k) and Roth 401 (k) Deferred Compensation Plans
- Example of Defining Elements for 401 (k) and Roth 401 (k) Deferred Compensation Plans

How can I view the current IRS Internal Revenue Code's annual 401 (k) contribution limits?

The Internal Revenue Code limits are delivered with the Oracle Fusion Human Capital Management for the United States installation and updated through the patching process.

You can view the current values in the Pretax Deduction value definition group, through the Calculation Value Definition task. Select the 401 (k) range to view the limits.

As a reference point, the current statutory limits are also available on the IRS government website.

Voluntary Deductions

Define Voluntary and Pretax Deductions

Use the Elements task to define voluntary and pretax deductions, such as 401 (k), 403 (b), or 457 deferred compensation.

You manage deferred compensation deductions through either calculation cards or element entries, depending on the plan type. You manage other voluntary deductions, such as gym membership, union membership dues, and charity donations, through element entries.

Use these steps to set up deductions.

1. Define the elements.

2. Define the third-party payees.
3. Define a third-party payment method for each third-party payee.
4. Enter the deduction details for each person. Do this in the following ways, depending on the deduction type and your setup.
    - Configure a Benefits and Pensions calculation card.
    - Define element entry.
    - Load benefit batches.

Define the Elements

When you define a 403 (b) or 457 deferred compensation plan deduction, the element template defines a calculation component. You add this component to the Benefits and Pensions calculation cards you assign to your workers.

To define a voluntary deduction for a 401 (k) plan:

1. Select the **Standard** category.

   This selection means you manage these deductions using the Element Entries task.
2. After defining the element, you can optionally add a **Payee** input value and select **Third-Party Payee** as the special purpose for it.

   If appropriate, enter a default value on the element or element eligibility record to populate the third-party payee details.

To define a voluntary deduction for a 403 (b) or 457 plan:

1. To define the base contribution, use the Elements task, and select the Pretax Deductions primary element classification and Deferred Compensation 403b or Deferred Compensation 457 secondary element classification

   You configure these deductions using the Calculations Card task and Benefits and Pensions card.
2. To define catch-up or employee match contributions, use Calculations Card task and define the contributions using the Benefits and Pensions card.
3. To define after tax contributions, use the Elements task and select the Voluntary Deductions primary element and the and Pension Plan After Tax 403b or 457 secondary classification.

   You configure these deductions using the Calculations Card task and Benefits and Pensions card.

Define Third-Party Payees

To define third-party payees, use the Third Parties task.

For further info, see Create Third Parties Options in the Help Center.

Define Third-Party Payment Methods

To define payment methods for all external payees, use the Third-Party Payment Methods task.

For further info, see Create Third-Party Payment Methods in the Help Center.

Enter Deduction Details for Each Person

For 403 (b) and 457 deferred compensation plans:

1. Use the Calculations Card task to configure a Benefits and Pensions calculation card for the person.

2. Add the 403 (b) or 457 calculation component to the card.
3. On **Enterable Calculation Values on Calculation Cards**, select whether its contributions are a flat dollar amount or a percentage of employee earnings per pay period.
4. For each employee, assign them to the appropriate component based on their contribution method election.

For voluntary deductions, you must define element entries.

Related Topics

- Define Pretax Deduction Elements for the US
- Third-Party Payment Methods
- Voluntary Deductions for the US
- Create a Personal Calculation Card for the US

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.

Field Value	Description	How Pay Periods are Derived
		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. **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.

Rules	Use To	Examples

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

Rate Conversion Rules

You can select specific formula rules when you create an element that manages rate conversions. These conversion rules apply to earnings classification elements, including standard, supplemental, absence, and time elements.

You are prompted to set conversion rules in the following cases.

Conversion rule type	When you set it
Periodicity	When defining an earnings element and have selected the **Flat amount** or **Hours * Rate** calculation rule
Proration	• When defining an earnings element and have selected the **Flat amount** calculation rule • When defining an absence element
Work Unit	When defining an earnings element that's subject to proration

Conversion Rules

This table describes the predefined formula rules.

Rate conversion rule	What it does	Here's an example
Standard Rate Annualized	Calculates the annual rate using the input periodicity, and converts the amount to an output periodicity and rate. Uses default values to calculate the annual rate, such as 2080 hours or 260 working days.	To convert a weekly amount to a semimonthly periodicity, the payroll process: 1. Multiplies the weekly amount by 52. 2. Divides the result by 24.
Standard Rate Daily	Calculates the daily rate using the input periodicity, and converts the amount to an output periodicity and rate. Uses a default value to calculate the daily rate, such as 260 working days a year.	To convert an annual amount to daily periodicity, the payroll process: 1. Divides the annual amount by 365. 2. Multiplies the result by the number of days in the payroll period.
Standard Working Hours Rate Annualized	Uses the employee's standard working hours to convert the monetary value and their working hours to an annual value before calculating the rate. **Note:** Don't use this conversion rule for retirees.	Employee works 40 hours a week with a monthly salary of $1000. ((1000 * 12) / (40.00 * 52) = $5.77 per hour
Assignment Working Hours Rate Annualized	Uses the employee's working hours to convert the monetary value and their working hours to an annual value before calculating the rate. **Note:** Don't use this conversion rule for retirees.	Employee works 40 hours a week, with a 37.5 standard working hours a week, and a monthly salary of $1000 USD. ((1000 * 12) / (37.50 * 52) = $6.15 per hour

Rate conversion rule	What it does	Here's an example
Periodic Work Schedule Rate Annualized	Uses the employee's work schedule for the payroll period for daily and hourly conversions. **Note:** Don't use this conversion rule for retirees.	• For employees assigned a payroll: The employee has a monthly salary of $1000 and is assigned a monthly payroll. The formula checks the work schedule details for the month. For a daily conversion: $1000 USD per month / 20 days in the month = $50 per day • For compensation calculations where the employee isn't assigned a payroll, the rate is calculated using the weekly rate calculation. The amount is converted to an annual figure and divided by the number of days or hours in that week based on the work schedule. a. The payroll process calculates the rate using the weekly rate calculation. b. It converts the amount to an annual amount. c. It divides the amount by the number of days or hours in that week based on the work schedule.

Work Schedule Calculations

For the Periodic Work Schedule Rate Annualized rule, the conversion rule formula determines whether a work schedule exists for a person. The calculation begins at the assignment level and continues in the mentioned order until it finds a schedule.

1. Assignment
2. Position
3. Job
4. Department
5. Location
6. Legal Employer
7. Enterprise

Consider these conditions to accurately calculate elements for a payroll period.

- Confirm that a work schedule assigned to a person exists at the start date of the payroll period in which you're paying the person.
- If a person has multiple assignments for a term, create the work schedule at terms or assignment level, but not at both levels. You could find calculation errors while setting up schedules at both levels.

Related Topics

- Define Absence Elements for the US
- Define Earnings Elements for the US
- Define Elements for Time Card Entries for the US

Time Cards

How Do I Configure Time Cards for Payroll Processing

You can configure payroll processing for employees who submit their hours through time cards.

This involves the following actions.

What you want to do	How you do it
Create the time card elements	Use the Elements task. When you create a time card element, the template generates all the necessary components, such as indirect elements, balances, formulas, and calculation components. For further info, see How Do I Define Time Card Elements in the Help Center.
Set up tagging in Oracle Fusion Time and Labor	This optional step involves: 1. Generating time attributes for the Data Dictionary For further info, see How Do I Generate Time Attributes for the Data Dictionary in the Help Center. 2. Defining the time entry tagging layout For further info, see How Do I Define the Time Entry Tagging Layout in the Help Center. 3. Defining time entry tagging components For further info, see How Do I Define Time Entry Tagging Components in the Help Center. 4. Changing time layout sets For further info, see How Do I Change the Time Layout Sets in the Help Center. 5. Defining worker profiles For further info, see How Do I Define Worker Profiles in the Help Center. 6. Viewing the Time Cards calculation card For further info, see How Do I View the Time Cards Calculation Card in the Help Center.
Perform additional configuration	Based on your requirements, there may be some additional steps to perform. • Set up costing overrides You can specify additional attributes in Oracle Fusion Time and Labor to enter costing segment values on time cards. For further info, see How Do I Set Up Costing Overrides for Time Cards in the Help Center. • Tag earnings for elements that use the Standard category For further info, see How Do I Tag Standard Earnings for Time Cards in the Help Center.

Related Topics

- How Do I Tag Standard Earnings for Time Cards
- How Do I Set Up Costing Overrides for Time Cards
- How Do I View the Time Cards Calculation Card
- How Do I Define Worker Profiles
- How Do I Change the Time Layout Sets
- How Do I Define Time Entry Tagging Components
- How Do I Define the Time Entry Tagging Layout
- How Do I Generate Time Attributes for the Data Dictionary
- How to Set Up Time Entry Tagging in Oracle Fusion Time and Labor
- How Do I Define Time Card Elements
- Data Dictionary of Time Attributes

Create Time Card Elements for Time Entries

Time card elements support hours-based and units-based quantities. You use the units-based quantities to assign people a flat payment amount through associated rates. For example, you pay people a meal allowance according to the number of meals they take daily.

When you create a time card element, you also create the related payroll elements, balances, formulas, and calculation components.

> **Tip:** If people report regular and straight time portions of overtime separately, create two elements, such as Overtime and Overtime Premium. If they report the portions together, you might use straight time instead of regular time, and create a separate element for the overtime premium.

1. Go to **Setup and Maintenance** > **Workforce Deployment** > **Elements and Formulas** > **Elements**.
2. Create the payroll element.
    a. On the Create Element dialog box, complete these steps:
        i. Select the legislative data group, such as **FR LDG**, **Hong Kong LDG**, or **US LDG**.
        ii. Select the primary classification, such as **Regular Earnings** or **Earnings**.
        iii. When available, select the secondary classification.
        iv. Select the **Time Card** category.
        v. Click **Continue**.
3. On the Create Element: Basic Information page, complete these steps:
    a. Enter a descriptive name, such as **Regular**, **Straight Time**, **Overtime**, or **Shift Pay**.
    b. Enter the name that you want to display on reports containing this payroll element.
    c. Select the effective date **January 1, 1951**. The early date ensures that the element attributes are immediately available to use with shifts, time cards, web clock, and time collection devices.
    d. Accept the remaining default values by clicking **Next**.

4. On the Create Element: Additional Details page, complete these steps:
    a. Select **Hours** or **Other Units** as the calculation units for reporting.
    b. Select the Work Units conversion rule. For the calculation used by each conversion rule, see *Conversion Rule Options for Configuring Additional Details of Payroll Elements*.
    c. Accept the remaining default values by clicking **Next**.
5. On the Create Element: Review page, complete these steps:
    a. Review the element configuration to ensure that everything is correct.
    b. Create the element and automatically generate all the related elements, balances, formulas, and calculation components by clicking **Submit**.

    By default, the Time Card category elements already have the appropriate value definition configurations required to support location overrides. You don't have to make any edits.
6. On the Element Summary page, configure element eligibility by completing these steps:
    a. In the Elements Overview section, select **Element Eligibility**.
    b. On the Actions menu, select **Create Element Eligibility**.
    c. In the Information section, enter an element eligibility name with a suffix that identifies the criteria. For example, for the regular element with open eligibility--no selected criteria--the name would be **Regular Open**.
    d. Select the eligibility criteria. To leave eligibility open on the element and control it with HCM groups and time processing profiles, skip this step.
    e. Click **Done**.
7. Configure element eligibility for each of the related elements, which share the same name as this element and have suffixes. Suffixes include Earnings Calculator, Earnings Distributor, Earnings Results, Retro, and Retro Results.
    a. On the Manage Elements page, search for the element that you just created.
    b. Click the related element name.
    c. On the element summary page, complete these steps:
        i. In the Elements Overview section, select **Element Eligibility**.
        ii. On the Actions menu, select **Create Element Eligibility**.
        iii. In the Information section, configure the same eligibility criteria as the original element.
        iv. Click **Submit**.
        v. Click **Done**.

Related Topics

- Time Card Required Option
- Process Time Entries in Payroll
- Create the Units-Based Meals Taken Element for Time Entries
- Time Card Updates to Payroll
- Calculate Time Based on a User-Defined Value

How Do I Tag Standard Earnings for Time Cards

To tag earnings for elements that use the Standard category:

1. Navigate to the employee's element entries page.

2. Click **Create**, and then enter your effective date and element name.
3. Click **Continue**.
4. Enter your hours or amount.
5. Select the appropriate state from the list.
6. Select the appropriate county from the list.
7. Select the appropriate city from the list.
8. Click **Submit**.

You can perform tagging on any Regular or Supplemental Earnings element.

Related Topics

- How Do I Configure Time Cards for Payroll Processing
- How to Set Up Time Entry Tagging in Oracle Fusion Time and Labor

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.

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'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

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 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.

How does defining augment elements impact overtime calculations?

When defining an augment element that spans multiple pay periods, you must provide a Start Date and End Date as input values.

These dates help the payroll process calculate the overtime payments.

Related Topics

- Supplemental Augmented Earnings
- How Do I Define Supplemental Augmented Earnings
- How Do I Define Earnings Elements for the US
- Elements, Balances, and Formulas for the US

13 Set Up Costing

Payroll Costing of Elements for the US

Costing is the financial accounting of your payroll costs. It breaks down the costs of a payroll into customer-defined units, such as a location, division, or project.

For further info, see Global Human Resources Cloud Implementing Payroll Costing Guide in the Help Center.

Costing configuration involves:

- Costing payroll payments
- Costing user-defined elements
- Costing the Predefined Tax Elements

Cost Payroll Payments

Costing of payments is a separate post-payments process. If you're not using Oracle Cloud General Ledger, you can disable the Transfer to Subledger Accounting task by copying the US Simplified Flow, creating your own flow, and removing the task.

Note: For further info on payroll flows, see the Payroll Flow Patterns and Flows for the US in the Help Center.

For further info, see Oracle Cloud Global Human Resources Payroll Costing Guide (1918574.1) on My Oracle Support.

Cost Your User-Defined Elements

When you define elements through the Elements task, the process may create some associated indirect elements.

- Results elements
- Retroactive elements

You must create element eligibility records for these elements as well as their base elements.

You cost these elements using the **Costing** tab of the element eligibility record of the Elements task.

For further info, see the Element Eligibility for the US in the Help Center.

To set up costing for your user-defined elements:

1. Start the Elements task.
2. Create element eligibility records for the base element.
3. Search for each indirect element.
4. Select each element, and create eligibility records for it.
5. Select **Costing**, and set up costing for the element eligibility records.

Cost the Predefined Tax Elements

When you create a tax card for a person, it automatically creates a US Taxation element entry. You must define eligibility for this element as an open link. Do not cost this element.

The US Taxation element has these related elements.

Element Name	Input Value	Notes
County Mental Health Tax Not Taken	Tax Calculated	
County Miscellaneous Employee Tax	Tax Calculated	
County Miscellaneous Employee Tax Not Taken	Tax Calculated	
Family Leave Insurance Employee Tax	FLI Tax Calculated	
Family Leave Insurance Employee Tax Not Taken	FLI Tax Calculated	You must cost this element the opposite of the Family Leave Insurance Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Family Leave Insurance Employer	Tax Calculated	
Federal Income Tax	Tax Calculated	
Federal Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Federal Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Federal Unemployment Tax	Tax Calculated	
Head Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Work Head Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Long Term Care Employee Tax	Tax Calculated	
Long Term Care Employee Tax Not Taken	Tax Calculated	
Medical Leave Insurance Employee	Tax Calculated	

Element Name	Input Value	Notes
Medical Leave Insurance Employee Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Medical Leave Insurance Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Medical Leave Insurance Employer	Tax Calculated	
Medicare Employee Tax	Tax Calculated	
Medicare Employee Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Medicare Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Medicare Employer Tax	Tax Calculated	
Residence City Tax	Tax Calculated	
Residence City Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Resident City Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Residence County Tax	Tax Calculated	
Residence County Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Resident County Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Residence County Mental Health Tax	Tax Calculated	
Residence School District Tax	Tax Calculated	
Residence School Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Residence School District Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.

Element Name	Input Value	Notes
Residence State Income Tax	Tax Calculated	
Residence State Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Residence State Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Social Security Employee Tax	Tax Calculated	
Social Security Employee Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Social Security Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Social Security Employer Tax	Tax Calculated	
State Disability Insurance Employee Tax	Tax Calculated	
State Disability Insurance Employee Tax Not Taken	Tax Calculated	You must cost this element the opposite of the State Disability Insurance Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
State Disability Insurance Employer Tax	Tax Calculated	
State Miscellaneous Employee Tax	Tax Calculated	
State Miscellaneous Employee Tax Not Taken	Tax Calculated	
State Miscellaneous Employer Liability	Tax Calculated	
State Transit Tax	Tax Calculated	
State Transit Tax Not Taken	Tax Calculated	You must cost this element the opposite of the State Transit Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
State Unemployment Insurance Employee Tax	Tax Calculated	

Element Name	Input Value	Notes
State Unemployment Insurance Employee Tax Not Taken	Tax Calculated	You must cost this element the opposite of the State Unemployment Insurance Employee Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
State Unemployment Insurance Employer Tax	Tax Calculated	
Voluntary Plan Employee Disability Insurance Tax	Tax Calculated	
Voluntary Plan Employee Disability Insurance Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Voluntary Plan Employee Disability Insurance Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Voluntary Plan Employer Disability Insurance Tax	Tax Calculated	
Work City Tax	Tax Calculated	
Work City Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Work City Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Work County Tax	Tax Calculated	
Work County Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Work County Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Work County Mental Health Tax	Tax Calculated	
Work County School District Tax	Tax Calculated	
Work Head Tax	Tax Calculated	
Work School Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Work County School District Tax base element.

Element Name	Input Value	Notes
		For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.
Work State Income Tax	Tax Calculated	
Work State Income Tax Not Taken	Tax Calculated	You must cost this element the opposite of the Work State Income Tax base element. For example, if you're crediting the base element to account 1234, then you must debit the Not Taken element from account 1234.

When you calculate payroll, the process:

1. Processes the element entry for the US Taxation element.
2. Creates run results for the related elements based on their element entries.
3. Feeds tax elements with indirect results.

These tax elements are fed with indirect results. If you want the costing to override the default for the tax elements, you must:

1. Manually define eligibility for each of them.
2. Cost the individual element eligibility records for the indirect results.

To do so:

1. Start the Elements task.
2. Create element eligibility records for the tax elements described above.
3. Cost the element eligibility records for the tax element on the **Costing** tab.

   Cost the Not Taken elements opposite of the others.

   For example, if you credit account 1234 for the Federal Income Tax element, then you must debit account 1234 for the Federal Income Tax Not Taken element.

Related Topics

- Define Involuntary Deductions for the US
- What is element eligibility for the US?
- How to Set Up Distributed Costing for the US

Distributed Costing

How to Set Up Distributed Costing for the US

You can configure distributed costing for:

- Employee taxes
- Employer taxes and liabilities based upon earnings elements, such as wages, overtime, and shift pay

It involves these steps.

What you want to do	How you do it
Create a distribution group	Use the Object Groups task.
Configure your elements	Before you can set up distributed costing, make sure you have set up eligibility for all elements you want to cost. Use the Elements task.
Set up costing	Use the Costing of Elements task.
Enable distributed costing for tax elements	Use the Payroll Process Configuration task to enable distributed costing for work locations where a tax exists.
Cost resident withholding taxes	If you enable distributed costing, your resident withholding taxes and school district taxes go into suspense. Preventing this requires some special element configuration.

For further info, see the following sections.

Create a Distribution Group

Create a distribution group that includes your earnings elements.

1. From **My Client Groups**, click **Payroll**.
2. Click **Object Groups**.
3. Click **Create**.
4. Set these values.

Field name	How you use it
Name	Provide a meaningful name for your object group.
Legislative Data Group	Select your US legislative data group.
Type	Select **Element Group**.

Field name	How you use it

5. Click **Continue**.
6. Select a start date.
7. Under **Object Group Parameter**, select **Value** for the **Usage Type** row.
8. Search for and select **Distribution group**.
9. Click **Next**.
10. Select the element classification or elements to include in the group, and click **Submit**.

    The costing option for the element's primary classification controls whether you can include the element in a distribution group. Typically, you include both standard and supplemental earnings in the distribution group. For further info, see Payroll Costing of Elements for the US in the Help Center.

For further info, see Overview of Object Groups in the Help Center.

Configure Your Elements

Use the Elements task to confirm that you created element eligibility records for the results elements of every element you want to cost.

Set Up Costing

This involves configuring the element eligibility records of every eligible results element. Do this even if you already configured the costing info for these eligibility records. If an element doesn't have a results element, cost the base element.

1. In **My Client Groups**, click **Show More**.
2. Under **Payroll**, click **Costing of Elements**.
3. Search for and select the element eligibility record of the element, such as an employer liability record.

> **Note:** Cost all element eligibility records for the results element, even if you set up the same costing info for every eligibility record. If there's no results element, cost the base element.

4. Update the record.
5. Set up the cost account information.
    a. Search for and select your element.
    b. Click **Create Costing Details**.
    c. Enter an effective date, and click **Continue**.
    d. Select the **Distributed** costing type.
    e. Select the element group you created as the distribution group.
    f. Select **Transfer to General Ledger** if you plan to transfer and post costing results to your general ledger.
    g. In **Costed Input Values**, add the input value that has a special purpose definition of primary output value as the input value to cost.
    h. In **Cost Account**, enter values for the segments that you want the costing process to exclude from its distributed costing calculations.
    i. In **Offset Account**, select the appropriate segments for the offset account, such as those that are different from the offset account the costing process uses for earnings and deductions.

Enable Distributed Costing to Use Contexts

The payroll process allocates the costing results of distributed elements, such as taxes, to earnings associated with the tax's work jurisdictions. The costing results of these distributed elements get distributed across all work regions, even if they aren't taxed.

You can configure the costing process so that the distribution occurs for only those work regions where a tax exists.

For example, an employee works in two states, New York and New Hampshire. State income tax (SIT) isn't collected in New Hampshire, so the SIT distribution occurs for New York earnings only.

To enable distributed costing for work locations where a tax exists:

1. Start the Payroll Process Configuration task.
2. In **Default Group**, find this parameter.
   Distributed costing to use contexts of set members Distributed costing should use contexts of set members for cost distribution of distributed element. Default: N.
3. Change its setting to **Y**.

Cost Resident Withholding Taxes

If you enable distributed costing, your resident withholding taxes and school district taxes go into suspense. To prevent this:

1. Use the Elements task to define three Information elements, one for each type of residence tax: state, county, and city.
   Be sure to give them names that easily identifies them with their tax.
2. For the state tax Information element, define the following input values.

Field name	What you enter
Name	Pay Value
Display Sequence	1
Unit of Measure	Money
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	State
Display Sequence	2

Field name	What you enter
Unit of Measure	Integer
Reference	State
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected

3. For the county tax Information element, define these input values.

Field name	What you enter
Name	Pay Value
Display Sequence	1
Unit of Measure	Money
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	State
Display Sequence	2
Unit of Measure	Integer
Reference	State
Displayed	Selected

Field name	What you enter
Allow User Entry	Selected
Create a Database Item	Selected
Name	County
Display Sequence	3
Unit of Measure	Integer
Reference	County
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected

4. For the city tax Information element, define these input values.

Field name	What you enter
Name	Pay Value
Display Sequence	1
Unit of Measure	Money
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	State

Field name	What you enter
Display Sequence	2
Unit of Measure	Integer
Reference	State
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	County
Display Sequence	3
Unit of Measure	Integer
Reference	County
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	City
Display Sequence	4
Unit of Measure	Integer
Reference	City

Field name	What you enter
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected

5. For the school district tax Information element, define these input values.

Field name	What you enter
Name	Pay Value
Display Sequence	1
Unit of Measure	Money
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected
Name	State
Display Sequence	2
Unit of Measure	Integer
Reference	State
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected

Field name	What you enter
Name	School District
Display Sequence	3
Unit of Measure	Integer
Reference	School District
Displayed	Selected
Allow User Entry	Selected
Create a Database Item	Selected

6. Write and add a fast formula for each Information element.

   These formulas must:

   a. Capture the pay value from the original tax element.
   b. Populate it in the Information element's Pay Value input value.
   c. Attribute the wages to the appropriate work jurisdictions.

7. Create element eligibility for these elements. Be sure to select **Distributed** as the costing type.

The costing process now automatically takes the values of the State, County, City contexts from the Information elements you defined and uses the corresponding earnings.

Related Topics

- Calculate Distributed Costing Example
- How Distributed Costing Is Calculated
- Payroll Costing of Elements for the US
- Element Costing Options

How Distributed Costing Is Calculated

Distributed costing calculation determines how and where incurred costs are distributed.

Many decide to distribute the costs for employer taxes, charges, and liabilities over earnings elements. For example, you might distribute an overhead expense, such as an employer liability over a group of elements that include regular, overtime, and shift pay.

Distributed Costing Calculation Process

These steps explain how the payroll run calculates the cost distribution.

1. The process adds the cost for the distributed element to elements included in the distribution group. It distributes the costs based on the ratio each element contributes to the total amount for the distribution group.

   If an element in the distribution group produces no run results, the application distributes the results to the remaining members.

   > **Note:** Costing at the **element entry level** for an element included in the distribution group uses the costing defined for it, not the costing defined for the distributed element.

2. The process builds each segment of the cost account by starting with the lowest level of the cost hierarchy. When it reaches the element eligibility level, the process applies the rules shown in this table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	Numbers specified for the distributed element, in place of account numbers for the segments of the distribution group elements
No	Numbers derived for the segments of the distribution group elements

For example, suppose the only difference between the costing result for an overtime wage and distributed element is the natural account segment. The account number is 5130 for the overtime wage and for 5220 for the distributed element. The process adds the proportional cost of the distributed element to the overtime wage. It derives the natural account segment as shown in this table.

Costing Exists at Element Eligibility Level	Account Numbers Used
Yes	The process costs the result to distributed element's natural account of 5220
No	The process retains the account number for the overtime wage of 5130

The offset cost results are distributed to all the applicable assignments and the corresponding assignment details are displayed for each record. You can view employee assignment details for offset account of distributed costing in **Run Payroll Cost Results** report and **Costing Results** page.

For example, an employee has 2 assignments, Manager and Analyst. The Manager assignment has an earnings element entry of Appliances Base Salary Earnings Results ($5000), and the Analyst assignment has an earnings element entry of VOI Ded1 Results ($200). The employee also has a relationship level element entry Employee Club Contribution Results ($100) with distributed costing. The offset cost results of Employee Club Contribution Results are distributed in the ratio of both assignment earnings and the assignment details are displayed.

The assignment details on the offset side for distributed costing are displayed even in a single assignment scenario.

If you don't want to split the offset cost results in multiple assignments for distributed costing, set the process configuration parameter Date used to split the distributed cost in offset account to a later date. The default date is: 2023/01/01. When you set the date to later, any costing processes submitted after this date will split the offset cost results for distributed costing, and any submitted before this date won't split. However, the offset is always split when the cost account is different.

Related Topics

- How to Set Up Distributed Costing for the US
- Calculate Distributed Costing Example
- Set Up Distributed Costing for an Element
- What's the difference between allocating and distributing costs?

Set Up Distributed Costing for an Element

Set up example of how you set up costing for an element whose costs you distribute to the earnings elements of a distribution group.

This table summarizes the key decisions for this scenario.

Decisions to Consider	Example
Which element's costs are you distributing?	Employer Union Pension Expense element
Which distribution group should carry the costs of the distributed element?	Pensionable Wages
Which input value of the distributed element does the costing process use to calculate costs?	Pay Value
What is the natural account number to use for the cost account segment?	5220 Employer Union Pension Expense account
Which offset account number is used to balance this cost account?	00.000.2152 Employer Union Pension Payable liability account

Here's an example where the payroll manager costs the employer portion of the pension liability by creating an element for the employer union pension expense, and a distribution group that includes the employee's wage elements.

Prerequisites

1. Set up the Cost Allocation key flexfield.
2. Define the required pensionable earnings elements.
3. Create an element object group, Pensionable Wages, for the pensionable earnings elements.

4. Create costing for element eligibility records for each of the pensionable earnings elements, such as the regular wages and overtime wages.

Create Costing for a Distributed Element

1. From **My Client Groups**, click **Show More**.
2. Under **Payroll**, click **Costing of Elements**.
3. Search for the element eligibility record for the Employer Union Pension element, and click **Create Costing Details**.
4. Enter 1/1/00 as the effective start date, and then click **Continue**.

   As a best practice, enter the same effective start date you specified for the element eligibility record.
5. Complete the fields in **Costing Information**.

Field	Value
Costing Type	Distributed
Distribution Group	Pensionable Wages
Transfer to General Ledger	Selected

6. In **Costed Input Values**, click **Add Row**. Complete the fields as shown in this table.

Field	Value
Input Value	Pay Value
Costed	Yes

7. In **Cost Accounts**, select **5220** for the natural account segment.

   For this example, the only segment you're entering is the natural account segment for the employer liability.
8. In **Offset Accounts**, complete the fields, as shown in this table.

Field	Value
Division	00
Department	000
Natural Account	2152

For this example, the offset account is the payable liability account, and the balance sheet account numbers are for the **Division** and **Department** segments.

> **Note:** If a value is captured for the same segment at higher levels in the costing hierarchy of distribution group members, then that segment value is considered though the value is defined at element eligibility level of distributed element.

9. Click **Submit**.

Related Topics

- Payroll Cost Allocation Key Flexfield Structure
- How to Set Up Distributed Costing for the US
- Overview of Object Groups
- Element Costing Options
- How Payroll Cost Results are Calculated

Calculate Distributed Costing Example

This example shows you how the cost for an element is distributed based upon earnings elements in a distribution group.

Scenario

You distribute total cost of income tax from 30,000 USD gross pay over the earnings elements in a distribution group.

Distribute Tax Over Earnings

Create a distribution group that includes all your earnings elements and add an eligibility record with distributed costing to the income tax element.

Once you run the payroll calculation process, the costing calculation:

- Totals the results of all elements within the distribution group
- Calculates the percentage that each costed run result represents of the total for the group
- Distributes the cost of the income tax proportionally

> **Note:** The process uses the ratio when generating the final costing results to complete segments not specified on the element eligibility costing. Now it's time to review the distributed results.

Cost Distribution

This table shows you how the costing results are calculated for the distributed element.

Element Name	Distributed element	Input Value	Distributed Input Value	Account	Debit (USD)	Credit (USD)
Regular Wages	NA	Earnings Calculated	NA	4310.1010.1010.3710.	20,000	NA
Regular Wages (Offset)	NA	Earnings Calculated	NA	4310.1010.1010.3710.	NA	20,000
Bonus	NA	Earnings Calculated	NA	4310.1010.1010.3710.	10,000	NA
Bonus (Offset)	NA	Earnings Calculated	NA	4310.1010.1010.3710.	NA	10,000
Income Tax	Income Tax	Tax Calculated	Tax Calculated	4310.1010.1010.3710.	8,517	NA
Regular Wages	Income Tax	Earnings Calculated	Tax Calculated	4310.1010.1010.3710.	NA	5,678
Bonus	Income Tax	Earnings Calculated	Tax Calculated	4310.1010.1010.3710.	NA	2,839

Distributed Costing with a Negative Result Distribution Group Member Example

When the distribution group member has a negative run result, the distribution amount inflates for some of the distribution group members to ensure the distributed element amount matches the run result.

For example, the distributed amount is 20 and there are 2 distribution group members with amounts 50 and -25. Then the distribution of distributed amount would be as follows:

Calculation Steps

1. Individual element within the distribution group is the numerator.
2. Sum of all the elements in the distribution group is the denominator.
3. Calculate distribution percentage by dividing denominator into the numerator.
4. Multiply distribution percentage by the adjusted amount.

Element	Original Amount	Allocation Calculation	Adjusted Distribution Amount
Earning 1	50	=(50/(50-25)*20)	40
Earning 2	-25	=(-25/(50-25)*20)	-20

Element	Original Amount	Allocation Calculation	Adjusted Distribution Amount
Distribution Group Total	---	---	20

The calculate payroll process distributes the cost results for the adjusted distributed element across the elements in the group. The distribution is based on the ratio that each element contributes to the group's total.

As you can see, Earning 1 appears to be inflated but when it's offset by Earning 2, the sum of the Distribution Group is accurately adjusted and allocated. The payroll run result matches the Distribution Group amount.

Related Topics

- Payroll Cost Allocation Key Flexfield Structure
- How to Set Up Distributed Costing for the US
- Element Costing Options
- How Payroll Cost Results are Calculated

14 Set Up Payment Methods

Organization Payment Methods

Organization Payment Methods

After setting up the banks, bank branches, and bank accounts, you define the payment methods your organizations use. Organization payment methods (OPMs) link the personal payment methods (PPMs) with the payment sources.

This means you don't need to store as many details about the payment method on the person record.

OPMs can interact with several components.

- How payroll definitions use them
- What payment types work with them
- Payment sources
- Payment rules
- Organization Payment Methods task

Payroll Definitions

Part of creating a payroll definition is selecting what OPMs work with it. The employees you associate with this payroll definition use the OPMs you select.

You can override the payment method at the employee level.

For further info, see Payroll Definitions for the US in the Help Center.

Payment Types

When you create an OPM, you select a payment type. For further info, see Organization Payment Methods Task below.

The most common payment types are:

- Electronic funds transfer (EFT)
- Check
- International transfer

> **Tip:** If you select the EFT payment type, you can enter EFT info at the payment method level, the payment source level, or both. Entries at the payment source level take priority over entries at the organization payment level. For example, if you define details at the payment source level, then to use those details when processing payments, you must enter the payment source when submitting the payment process.

Payment Sources

If you're using Oracle Fusion Global Payroll for payroll processing, you must define at least one payment source for each OPM.

Note: Use Oracle Fusion Cash Management to associate each payment source with an active bank account.

If you define additional details at the payment source level, then to use those details when processing payments, you must enter the payment source name when submitting the payment process.

This table illustrates how you can use the same bank account in different payment sources in more than one OPM.

Payment method	Payment source	Bank account
Check	Bank of America Account A	Bank A - Account 7890045
EFT	Bank of America Account B	Bank A - Account 7890045

Note: If you're costing your payments, enter cost account info through the Costing of Payment Sources task.

Payment Rules and Default Payment Sources

If you define multiple payment sources, you can use payment rules to determine the appropriate payment source based on tax reporting unit (TRU).

The following example shows one OPM with three different payment sources for different TRUs.

Payment source	Tax reporting unit	Default payment source
Payroll EFT Source US Bank A - Account 7890045	None	Yes
Payroll EFT Source California Bank B - Account 1238900	California TRU	No
Payroll EFT Source Texas Bank C - Account 8765999	Texas TRU	No

The first payment source you add is the default payment source, but you can select another payment source as the default, or not have a default payment source.

To understand the effect of having a default payment source, consider the following examples that describe what happens when a TRU changes, causing a payment rule to be invalid.

What you can do	When you would do it
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.

What you can do	When you would do it
Without a default payment source, the payments process issues error notifications. This ensures you use the appropriate payment source to fund the payment.	This approach might suit a company with strict policies about payment rule compliance.

Organization Payment Methods Task

You must create one OPM for each combination of legislative data group (LDG), payment type, and currency that you use to disburse wages and other compensation. You can also create rules for validating or processing the distribution of payments. Create as many OPMs as you require for your enterprise. Use the Organization Payment Methods task.

To define OPMs:

1. Start the Organization Payment Distribution task.
2. Click **Create**.
3. Select the LDG associated with this payment method.
4. On **Create Organization Payment Method**, enter the required info.

Field name	How you use it
Name	Enter the name of this OPM.
Payment Type	Select the payment type for this OPM. You must create a separate OPM for domestic and international payments. Use the Direct Deposit payment type for domestic direct deposits and the International Transfer payment type for international payments. Two EFT templates are available. o PPD for US Payments o IAT for international payments
Currency	Select **US Dollar**.
Prenotification required	Prenotification is the process of submitting a 0 USD transaction in order to verify an electronic transfer's routing numbers and account number info. Use this field to indicate whether a prenotification process is required for direct deposit payment types. For further info, see Prenotifications for the US in the Help Center.

5. If you have selected **Direct Deposit** or **International Transfer** as the payment type, in **Electronic Funds Transfer File Information**, enter the appropriate values.

Field name	EFT name	What it does
Balancing Entries	Balanced Electronic File	Determines whether the payroll process generates a balanced or unbalanced electronic payments file. An unbalanced electronic payments file doesn't have an offsetting debit record. It therefore allows cases where the total debits of the file aren't equal to the total credits. Some banks require unbalanced files.
Bank Reference	Immediate Destination Identification	Identifies the immediate destination bank routing and transit number.
Bank Name	Immediate Destination Name	Name of the financial institution.
Company Reference Type	Immediate Origin Identification Type	Don't use this field.
Company Reference	Immediate Origin Identification	Numeric code assigned to the employer by an external authority, such as their IRS tax ID or D-U-N-S number.
Company Name	Immediate Originator Name	Identifies the company name of the originator.

6. Configure prenotifications for Direct Deposit payments, if necessary.

   For further info, see Prenotifications for the US in the Help Center.
7. In **Payment Sources**, click **Create**.

   Payment sources associate bank accounts and other sources of funds with the OPMs. Each organization payment method in use must have at least one valid payment source.
8. On the Create Payment Source page, enter a name and select a bank account name.

   The payroll process uses the payment info set at the payment source level for direct deposit employee direct deposit.
9. Enter the required info, and click **Submit**.

Related Topics

- Bank Configuration for the US
- Configure Payment Method Preferences
- Prenotifications for the US
- Enter Bank Info for Personal Payment Methods for the US

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

- Third-Party Payment Methods
- Organization Payment Methods Overview
- Payroll Definitions

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
- Payment Method Rules Setup Examples
- Organization Payment Methods Overview

Payment Method Rules Setup Examples

These examples show you can use payment method rules to handle payments to different parties and from different payment sources. Set payment method rules on the Organization Payment Methods page.

Create the Same Payment Source for Pay Workers and Third Parties

Your organization pays all workers and third-party payees from the same source bank account. In this scenario, no special payment method rules are required. Add a payment rule in the Payment Method Rules section as stated in these steps:

1. Ensure that the payment source is set as the default.
2. Leave the Third-Party Payment, Tax Reporting Unit, and Payment Criteria fields blank.

Create Separate Payment Sources for Pay Workers and Third Parties in a Specified TRU

Your organization is based in one tax reporting unit (TRU1), but you have some workers in another tax reporting unit (TRU2). To comply with TRU1 regulations for out-of-TRU payments, you specify a payment source for the TRU2. In this example, your payment source for TRU1 is already set as the default payment source, so no change is needed for TRU1. For the TRU2 employees. Add a payment rule in the Payment Method Rules section as stated in these steps:

1. Select the TRU2.
2. Select the TRU2 payment source.

Create Separate Payment Sources for Pay Workers and Third Parties in the Same TRU

You currently pay everyone in your TRU using Payment Source A. Your company recently employed a private consultant, Jon Moore, from a third-party auditing company. In this example, you have a new company requirement that states payments must come from a new payment source, Payment Source B. Add a payment rule stated in these steps:

1. Create John as a third-party person payee.

2. Add the Payment Source B payment source and a new payment method rule in your organization payment method.
3. Select the Third-Party Payment check/cheque box, Jon's name as the third-party person to pay, and Payment Source B in the payment method rule.

Create a Separate Payment Source for Pay Workers in a Specified Department

You use different payment sources to pay employees in the Sales and Development departments. Add a payment rule in the Payment Method Rules section as stated in these steps:

1. Create a payment method rule for each department.
2. Enter the department name in the Payment Criteria field.
3. Select the TRU and payment source.

Note: This scenario has these prerequisites:

- An information element exists named Default Payer with an input value named Payment Criteria.
- A formula exists that retrieves department names and the assignment IDs of the employees associated with them.
- The processing rules in the Default Payer element refer to the formula. The result rules target field is set to Payment Criteria. The returned field is set to the value specified in the formula.

Related Topics

- Derive Payment Sources Example
- Payment Sources in Organization Payment Methods Setup Examples

Tax Reporting Units for the US

Tax reporting units (TRUs) represent a legal entity for tax and social insurance reporting.

- You can assign a TRU to a worker using the Payroll region on the New Hire flow.
- You can associate a TRU with an assignment on the worker's Tax Withholding card.

Tax Reporting Across Multiple Assignments

The calculation card uses TRUs to group the assignments of a worker for tax and social insurance reporting, called TRU associations.

For example, your organization operates several car dealerships in the US. You have a single legal entity responsible for employing and paying workers across all their dealerships. Your employee works part-time at two showrooms. They have two assignments to capture info for each role, such as showroom location and line manager details.

You associate both of this person's assignments to the same TRU. Therefore, when you process your weekly payroll, the payroll process consolidates their earnings from both the assignments for tax and social insurance purposes.

Some payroll actions automatically establish TRU associations. This includes actions like adding assignments, hiring, and employee transfers.

- If you select a TRU during the process, it creates the association if one doesn't exist.
- If you don't select a TRU, and a single TRU association exists on the card, the process uses that association.
- If you don't select a TRU, and multiple TRU associations exist, the process doesn't establish any association for the assignment.
- If you don't provide any payroll info at all, the process doesn't create the TRU association.

Related Topics

- Configure Tax Reporting Units for the US
- How Payroll Statutory Units, Legal Employers, and Tax Reporting Units Work Together for the US
- What's a tax reporting unit?

Payment Sources in Organization Payment Methods Setup Examples

You set up payment sources when you create organization payment methods (OPM) for payroll processing. Use the Organization Payment Methods task.

Derive Payment Source Based on TRU

You pay your workers by electronic funds transfer (EFT) payments. To comply with tax reporting unit (TRU) regulations for out-of-TRU payments, payment rules are created based on TRU to pay from two different banks. This table helps you understand your key decisions for this scenario:

Decisions to Consider	In This Example
How many OPMs do you need?	One.
How many payment sources do you need?	Three. One default payment source for the TRU1, one source for payments in TRU2, and one source for payments in TRU3.
How many bank accounts do you need?	Three. One for each payment source.
What payment method rules do you need?	Rules for bank accounts used as payment sources based on each TRU.

Prerequisites

Verify you have completed these before you continue:

1. Primary ledger is set up in Oracle Cloud General Ledger.
2. Banks, branches, and account info to use as the payment sources are set up in Oracle Cloud Cash Management.
3. Legal entity associated with the legislative data group is assigned to a general ledger.
4. TRUs are set up.

Create the OPM with Basic Details

Add new OPM in the Organization Payment Methods page with this info:

1. Click the Organization Payment Methods task.
2. In the Search Results section, click Create.
3. Select your legislative data group. This example is InFusion LDG.
4. Select the date this payment method is to be available for use.

> **Tip:** Select a date that's on or before the effective date this payment method will be used by the payroll definition or other objects.

5. Click Continue.
6. In the Basic Details section, complete the fields with this info:

Field	Value
Name	Payroll Direct Deposit
Payment Type	Direct Deposit **Note:** The available payment types for OPMs can vary by legislation.
Currency	Payment currency

7. Click Save.

Add EFT File Info

When you select the EFT payment type, you have the option enter EFT info at these levels:

> **Note:** EFT file info entered at the payment source level takes priority over info entered at the organization payment method level.

1. Payment source level
2. Organization payment method level
3. Both levels

Create Payment Sources

Perform these steps three times to create each payment source.

1. In the Payment Sources section under Payment Source Information, click Create.
2. On the Create Payment Source page, complete the fields in order, as shown in this table:

Field	Source 1	Source 2	Source 3
Name	Payroll EFT Source 1	Payroll EFT Source 2	Payroll EFT Source 3
Bank Account Name	Bank A	Bank B	Bank C
Bank Reference	123456789	234567890	345678901
Company Reference	456789012	567890123	678901234

> **Tip:** Keep your payment source names unique and specific as possible for each scenario. This naming convention helps you manage complicated combinations of OPMs and payment rules.

3. Click Continue.

Create Payment Rules

Perform these steps three times to create each payment source.

1. In the Payment Method Rules section, for Payroll EFT Source US, ensure that the default setting is Yes.
2. In the same section, click Create and select the values shown in this table to create two payment rules that map a payment source to a TRU.

Field	Source 2	Source 3
Default	No	No
Tax Reporting Unit	TRU2	TRU3
Payment Source	Payroll EFT Source 2	Payroll EFT Source 3

3. Click Submit.

Create Same Payment Source for Pay Workers and Third Parties

Your organization pays all workers and third-party payees from the same source bank account. In this scenario, no special payment method rules are required. Perform these steps for this scenario:

1. Ensure the payment source is set as the default.

2. Leave the Third-Party Payment, Tax Reporting Unit, and Payment Criteria fields blank.
3. Click Continue.

Create Separate Payment Source for Pay Workers and Third Parties in a Specified TRU

Your enterprise is based in one tax reporting unit (TRU1), but you have some workers in another tax reporting unit (TRU2). To comply with TRU1 regulations for out-of-TRU payments, you specify a payment source for the TRU2. In this scenario, your payment source for TRU1 is already set as the default payment source, so no change is needed for TRU1. Perform these steps for the TRU2 employees:

1. Add a payment method rule.
2. Select the TRU2.
3. Select the TRU2 payment source.
4. Click Continue.

Create Separate Payment Sources for Pay Workers and Third Parties in the Same TRU

You currently pay everyone in your TRU using Payment Source A. Your company recently employed a private consultant, Jon Moore, from a third-party auditing company. A new company requirement states that payments must come from a new payment source, Payment Source B. For this scenario:

1. Create John as a third-party person payee.
2. Leave the Third-Party Payment, Tax Reporting Unit, and Payment Criteria fields blank.
3. Click Continue.

Create Separate Payment Source for Pay Workers in a Specified Department

Note: This scenario has these prerequisites:

- An information element exists named Default Payer with an input value named Payment Criteria.
- A formula exists that retrieves department names and the assignment IDs of the employees associated with them.
- The processing rules in the Default Payer element refer to the formula. The result rules target field is set to Payment Criteria. The returned field is set to the value specified in the formula.

You use different payment sources to pay employees in the Sales and Development departments. Perform these steps for this scenario:

1. Create a payment method rule for each department.
2. Enter the department name in the Payment Criteria field.
3. Select the TRU and payment source.
4. Click Continue.

Related Topics

- How Bank, Branch, and Account Components Work Together
- Payment Method Rules Setup Examples
- Organization Payment Methods Overview
- Derive Payment Sources Example

Derive Payment Sources Example

Use payment criteria to set up your rules to derive payment sources within a single tax reporting unit (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.

Field	Value
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 **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

Field	Value
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

Prenotifications for the US

Prenotes are Automated Clearing House (ACH) prenotifications. They are $0 ACH entries you send to a bank at least 10 banking days before sending the first live payroll credit.

The prenote validates the routing number and account number of the receiving bank or credit union.

Note: The following processes generate prenotes only when they detect changes to an employee's bank account info. They don't generate a prenote for a bank account that has already been verified with a previous prenote.

Configure the Organization Payment Method

To issue prenotes, you must first configure the following prenotification rules on the organization payment method (OPM) for Direct Deposit payment types. Use the Organization Payment Methods task.

Note: Prenotifications aren't supported for third parties.

Field name	What it does
Prenotification Required	Designates whether the prenotification process is required for employees.
Prenotification Amount	Default value for this field is $0.
Days	Number of days required for a prenotification wait period. The employee is paid by check until the waiting period is completed. For example, if the prenote wait period is 10 days and running a weekly payroll, depending on the timing employees might receive two paychecks before direct deposit starts. This is required if you are enabling prenotifications.

If a prenote is required for the OPM, the Make EFT Payments process sends a prenote entry with $0 in the direct deposit file (PPD) for all new hires and retirees. For a person's checking account, the prenotification transaction contains the transaction code of 23 in the entry detail record. For the person's saving account, the prenotification transaction contains the transaction code of 33.

You can create prenotes for existing people by assigning them a personal payment method with new banking info.

Generate a Standalone Prenote File

You can generate a stand-alone file that's not dependent on any payroll processes.

To create this file:

1. Start the Generate Prenote File process.
2. Set these parameter values.

Field name	What it does
Process Start Date Process End Date	Enter a date range that captures any account number changes or creations on the employee personal payment methods.
File Reference	By default, this process gives the first file it generates on a given date a file reference of **A**. It increments this value alphabetically for each subsequent run on that given date.

Field name	What it does
	Use this field to enter a single-character override. The value here applies only to that run.
Organization Payment Method	Identifies the OPM requiring this prenote. The OPM prenotification amount must be $0.
Process Configuration Group	Select a process configuration group if needed.

Related Topics

- Bank Configuration for the US
- Organization Payment Methods for the US
- Payment Sources in Organization Payment Methods Setup Examples
- Set Up International Payment Sources in Organization Payment Methods for the US

Generate Prenote File

Use the Generate Prenote File flow to generate a stand-alone prenote file that's not dependent on any payroll processes.

Run this flow after you have made any change to an employee's bank account information that requires a prenote.

> **Note:** It doesn't generate a prenote if it doesn't detect a change, and it doesn't generate a prenote for a bank account that has already been verified by a previous prenote.

Before You Start

You must configure the prenotification rules on the organization payment method (OPM) for Direct Deposit payment types. For further info, see Prenotifications for the US in the Help Center.

Process Parameters

Process Start and End Date

Enter a date range that captures any account number changes or creations on the employee personal payment methods.

File Reference

By default, this process gives the first file it generates on a given date a file reference of **A**. It increments this value alphabetically for each subsequent run on that given date.

Use this field to enter a single-character override. The value here applies only to that run.

Organization Payment Method

Identifies the OPM requiring this prenote.

The OPM prenotification amount must be $0.

Process Configuration Group

Select a process configuration group if needed.

Process Results

This process generates a prenote file suitable for submission to the bank.

Related Topics

- Prenotifications for the US

FAQ for Prenotifications

How can I set up prenotification?

Prenotification or prenote is a $0 Automated Clearing House (ACH) entry that must be sent at least 10 banking days prior to the first live payroll credit issued.

A prenote's purpose is to validate routing number and account numbers of the receiving bank or credit union.

Related Topics

- Bank Configuration for the US
- Prenotifications for the US
- Set Up International Payment Sources in Organization Payment Methods for the US

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

Bank Configuration for the US

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 Fusion HCM Global Payroll. For example, banking set up may be required for reporting purposes or because the data may be passed to other products, such as an expenses module.

Configuring banks involve multiple operations.

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.

What you want to do	How you do it
Define bank accounts	Use the Bank Accounts task from your implementation project.
Enable search by routing number	Use the Manage Standard Lookups task to make it easier for employees to find and select their bank accounts by searching for their routing number.
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 the US 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	You must specify the necessary prenotes on the appropriate organization payment methods. For further info, see Prenotifications for the US in the Help Center.
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 the US • Payroll Definitions for the US

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 Fusion Financials for the Americas provides predefined bank account details. For further info, see Employee Bank Account Rules by Country: Oman to Vietnam 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**.

Enable Search by Routing Number

If you allow employees to select their own bank accounts through Self-Service, you can make this easier for them by enabling search by the routing number. This way, they don't need to know their bank or branch details.

Use the Manage Standard Lookups task to add this lookup code.

Lookup type	Lookup code
ORA_IBY_CONTROLLED_FEATURES	IBY_BRANCH_NUM_SELECTION

Issue Retiree Payments to Rollover Institutions

A retiree can designate all or a portion of their payments to a rollover institution.

To configure these payments:

1. Define a Voluntary Deductions element for the person.
2. Submit a check request through your Accounts Payable department with the appropriate payment details.

For example, your retiree receives a monthly pension payment of $1000, so you define a Voluntary Deduction for it. After payroll processing, an Oracle Fusion General Ledger account holds this money, while your Payroll Department issues a check request to Accounts Payable. This check would be payable to the rollover institution.

Related Topics

- Bank Account User Rules by Country
- Considerations When You Create Accounts
- How Bank, Branch, and Account Components Work Together
- Organization Payment Methods for the US
- Enter Bank Info for Personal Payment Methods for the US

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
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

User	Privileges	Access Description
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

Bank Account User Rules by Country

Country-specific user interface rules have been predefined for employee bank accounts in the simplified bank account page.

The fields displayed on the user interface are governed by the rules defined in the table CE_CTRY_SPECIFIC_UI_RULES. The tables on the UI Rules list the predefined country-specific user interface rules for employee bank accounts in the simplified bank account page.

Related Topics

- Employee Bank Account Rules by Country: Argentina to Guernsey
- Employee Bank Account Rules by Country: Hong Kong to Norway
- Employee Bank Account Rules by Country: Oman to Vietnam

Third-Party Payment Methods

Overview

Once you have calculated payroll, you're ready to pay your employees and third parties. Use the Generate Payments for Employees and Third Parties flow to generate check/cheque payments.

This process selects employees and third parties processed in the prepayments process within the payroll run and have a payment method of check/cheque.

Before you generate the check/cheque payments, consider these scenarios:

- You may have multiple employee deductions made to the same third-party payee, such as multiple child support orders. Rather than make individual payments for each individual employee deduction, use the Run Third-Party Payment Rollup process to combine individual employee deductions and make a single payment to the payee.
- You may have both employees and third parties to pay. Use the Run Generate Payments for Employees and Third Parties to generate your checks/cheques for employees and then again to generate checks/cheques for your third parties. Use the Payee Type field to designate which will be included in the process.
- You may have specific third parties to exclude from the Run Third-Party Payment Rollup process to produce an individual check/cheque per payment. Select the Exclude from Third-Party Payment Rollup Process checkbox on the Third-Party Organization Payment Methods page to exclude a third-party payee from the Run Third-Party Payment Rollup process.
- You may have a third-party payee that requires payments on a date that's different from the employee payment date. For example, your employee payroll payments are on the last day of the month but you may want to make third-party payments 5 days later. Use the Time Definitions task to create a time definition defining a time span of 5 days. Select this new time definition in the Time Definition field on the Third-Party Person or Organization Payment Methods UI. Enter the relevant process dates and run the prepayments process, for example, with a process date of 30, June. This stamps the effective employee payments date as 30-June and the third-party payments date as 05-July. The Generate Payments for Employees and Third Parties process is run twice:
    - Once for the employees with a last day of the month process end date, such as 30-June
    - Once for the third parties with a process end date of plus 5, such as 05-July, and an overriding payment date of 05-July
- You may have different banks with different check/cheque templates. To accommodate, you must create a report category for each separate bank and check/cheque template and then attach it to the payment source:
    - Define report categories for each unique bank and check/cheque template combination to create a report category for each separate bank and check/cheque template. Use the Organization Payment Methods page to associate the report category for third-party payee and report category for worker to the payment source.
    - Select the new report category for the requisite bank's payment source so that the process uses the correct check/cheque template when generating its check/cheque payments. Use the Organization Payment Methods task to define the payment source for third-party payments. Attach the correct report category for that payment source. Use the Report Category for Third-Party Payee or Report Category for Worker field in the Payee Information section of the Create Payment Source page.
- Define report categories for each unique bank and check/cheque template combination if you want to create a report category for each separate bank and check/cheque template. The report category for third-party payee and report category for worker are associated to the payment source in the Organization Payment Methods page.

Related Topics

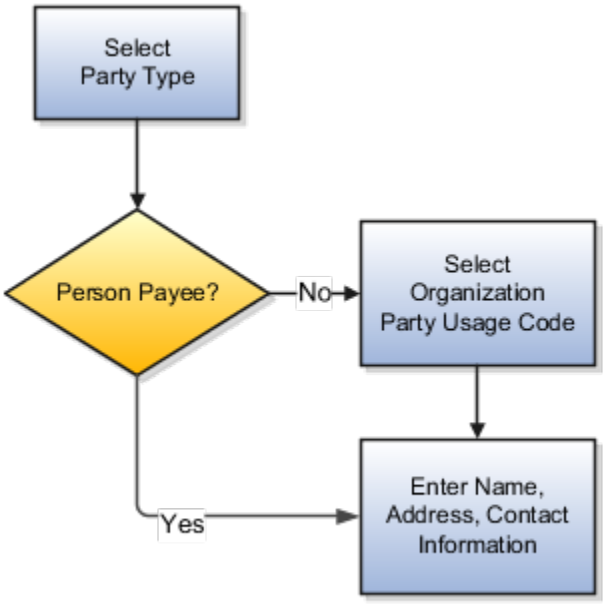
- Third Parties Overview
- Third-Party Payment Methods
- Third-Party Payment Rollup
- Employee and Third-Party Check Payments Process

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
Payment Issuing Authority	Organizations responsible for issuing instructions for involuntary deductions, such as a tax levy or bankruptcy payment order.	Court, agency, or government official

Party Usage Code	Use For	Examples
	Payment issuing authorities don't receive payments.	
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

- Third-Party Payment Methods
- How Payment Methods and Payroll Definitions Work Together
- Example of Loading Organization Payment Methods
- Example of Loading Third-Party Personal Payment Method
- How do I import organization data?

Third-Party Rollup Payments

A third-party payment is a payment you make to an external source.

This source could be:

- Court
- Labor union
- Pension provider
- Any person not on your payroll

You can use them in multiple ways.

- Issuing third-party rollup payments
- Excluding third-party payment methods
- Running the Third-Party Payment Register Report
- Printing checks for third parties

How You Issue Third-Party Rollup Payments

There are cases when you want to combine multiple payments into a single payment rather than issue multiple payments.

For example:

- A union can have several of its members belonging to the same employer.
- Multiple employees can have deductions made to the same third-party payee, such as a State Distribution Unit for child support payments.

Use the Third-Party Payment Rollup flow to combine the individual employee deductions and pay the payee through a single payment instrument. Additionally, you can use the Third-Party Payment Register Report and Third-Party Check Payments audit report to validate your data and provide the third-party payee with employee and deduction details.

How You Exclude Third-Party Payment Methods

You might want to exclude specific third parties from the Third-Party Payment Rollup flow because they want an individual check per payment.

Select **Exclude from Third-Party Rollup Process** on the Third-Party Payment Methods task to exclude a third-party payee from the Third-Party Payment Rollup flow.

Generate the Third-Party Payment Register Report to view the individual payments made.

How You Use the Register Report

Run the Third-Party Payment Register Report to generate and view:

- Individual third-party payments and the corresponding employee deduction info
- All rollup payments and deduction info of employees who share the same rollup payments
- Consolidated total of each rollup payment
- Payments made to each individual payee
- Consolidated total of multiple deduction payments of each employee
- Component name and component reference of involuntary deductions stored on the calculation cards
- Element name of voluntary deductions

Before you run this report, do the following.

1. Calculate and verify prepayments.
2. Run the Third-Party Payment Rollup flow.
   This flow is optional. Use it to consolidate multiple payments made to a third party and generate a single payment.
3. Generate the payments.
4. Run the periodic archive.

How You Print Checks for Third Parties

Use the Generate Check Payments for Employees and Third Parties flow to generate check payments. You run the check writer flow against third parties by selecting **Third Party** as the payee type.

When you do so, it creates two output files.

File name	What it contains
Check File	The printable check and check stub. The check stub lists up to 17 employees rolled-up for a given payee. If the number of employees exceeds the check stub limit, the employee details are printed only on the audit report. Otherwise, the employee details are printed on both the check stub and audit report. If the number of employees doesn't fit the size of the stub, it includes this message: **`For employee details, refer to attached report for the given payee`**. The check portion includes: • Amount • Authorized signature line • Bank details, including bank routing number in MICR font • Check number • Date • Employer name and address • Payee name and address • Source account number The check stub includes: • Payment amount • Check date • Document or case number • Employee names • Period end date • Remittance ID
Third-Party Check Payments Audit Report	Documents all details related to employees contributing to the check amount. Sorted by check number. The cover page provides the following payroll info. • Payroll run name • Process start and end dates • Consolidation group • Organization payment method • Starting check number Each subsequent page is dedicated to an individual payee and includes: • Payee name • Check number and date • Employer name and address

File name	What it contains
	• Employee details, sorted by name and remittance ID: o Name o Remittance ID o Document or case number o Pay period end date o Amount

For further info, see Employee and Third-Party Check Payments for the US in the Help Center.

Related Topics

- Third Parties Overview
- Third-Party Payment Methods
- Calculate and Validate Payroll Payment Distributions for the US
- Generate Check Payments for Employees and Third Parties for the US
- Third-Party Payment Register Report for the US

Third-Party Payment Methods

Create third-party payment methods for third-party persons or external organizations. Use either the Third-Party Personal Payment Methods task or the Third-Party Organization Payment Methods task to create.

Typical payments to third parties include:

- Involuntary deductions, such as court-ordered garnishment.
- Voluntary deductions, such as pension plan or union membership payments.

> **Note:** You must use the Third Parties task to create the third party and ensure the organization payment method for the payment source exists before you create a third-party payment method.

As you create your third-party organization payment methods, you will notice additional fields that can be captured, such as whether or not to exclude the third party from the Run Third-Party Payment Rollup process or to separate worker payments by reference. These identifiers will determine how these payees are paid and reported at the time of payment.

- Use the Exclude from Third-Party Rollup Process checkbox, if you run the Run Third-Party Payment Rollup but have to pay certain third parties that require an individual check per employee payment. For example, the UK requires deduction from earnings orders, such as child maintenance payments, to be sent as separate transactions. By checking this box, payments to this third party, won't be rolled up into a single payment.

  > **Note:** When checking this box, the Separate Worker Payments by Reference box is automatically checked because it's typical for an employee making multiple payments to this third party that each payment is to be reported by reference separately. However, you may deselect, if this is your requirement.

- Use the Separate Worker Payments by Reference checkbox to generate employee payments to a given third party, based on reference. For example, if an employee is making multiple payments to a given third party, these can be generated separately, each with the corresponding reference.

  > **Note:** The calculation card's calculation component has a reference field to uniquely identify the deduction, such as a court order number, case number, or other identifier provided by the issuing authority. The prepayment process breaks down the employee payments by this reference number captured against the employee deduction, which is mandatory for all countries.

You can still select the Separate Worker Payments by Reference checkbox even if you don't select the Exclude from Third-Party Payment Rollup Process checkbox to roll up the third-party payment and separate employee payments based on reference. These choices allow you to roll up the third-party payments during the Run Third-Party Payment Rollup process and separated out by on reference during the prepayments process the employee payments to that third party. You can then retrieve the information if you need to extract the details in the payment file, or reports. For example, you need to send a single consolidated payment to a loan company but you also need the employee payments paid to multiple loans at the same loan company separated out.

- Use the Time Definition list of values to pay a third-party on a date that's different from the employee payment date. For example, you want to make employee payroll payments on the last day of the month and make third-party payments 5 days later.

To create a third-party organization payment method, follow these steps:

1. Select the Third-Party Organization Payment Methods task.
2. Click the Create icon.
3. Select a Legislative Data Group.
4. Select the Third-Party Name from the list.
5. Select the Organization Payment Method from the list.

   > **Note:** Payment Type and Currency populate based on chosen Organization Payment Method.

6. Select Effective Start Date.
7. Select Exclude from Third-Party Payment Rollup Process, if the third party isn't part of the Run Third-Party Payment Rollup.
8. Select Separate Worker Payments by Reference if separate payments are generated for employee payments to a given third party, based on reference.
9. Select the Time Definitions from the list, if you have defined a time definition to pay the third party on a different date than the rest of your third-party payments.
10. If you're creating a direct deposit to a third party, perform these additional steps in the Bank Account region to create the associated bank account.
    - Click the Create icon.
    - At a minimum, fill in the required fields identified by an asterisk.
      - *Account Number
      - *Account Type
      - Check Digit
      - Account Holder
      - Secondary Account Reference
      - *Bank
      - *Bank Branch
      - *Routing Number

- Click the Save and Done button.

11. Click Save.
12. Click Done.

To create a third-party personal payment method, follow these steps:

1. Select the Third-Party Person Payment Methods task.
2. Search and select an employee.
3. Click the Create icon.
4. Select a Legislative Data Group.
5. Select the Third-Party Name from the list.
6. Select the Organization Payment Method from the list.

   Note: Payment Type and Currency are based on chosen Organization Payment Method.

7. Select Effective Start Date.
8. If you're creating a direct deposit to a third party, perform these additional steps in the Bank Account region to create the associated bank account.
   - Click the Create icon.
   - At a minimum, fill in the required fields identified by an asterisk.
     - *Account Number
     - *Account Type
     - Check Digit
     - Account Holder
     - Secondary Account Reference
     - *Bank
     - *Bank Branch
     - *Routing Number
   - Click the Save and Done button.

     Note: Depending on your localization, these may differ.

9. Click Save.
10. Click Done.

Note: The payroll relationship is defaulted for the employee making the payment to the third party. However, if you create a third-party personal payment method, as part of creating your third party, you must select the payroll relationship(s) of the person making payment to the third party.

Related Topics

- Organization Payment Methods Overview
- Third-Party Payment Date Options

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
- Third-Party Payment Methods Overview
- How do I generate payments to third-party payees?

Reprocess Rejected EFT Payments

Overview

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. 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.
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.

HCM Data Loader Attribute	Required	User Interface Prompt	Description
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'.
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

Direct Deposits

Direct Deposit for the US

Direct deposit refers to the electronic transfer of an employee's net pay directly into the accounts designated by the employee.

For employees who have requested direct deposit payments, the Make EFT Payments task in the US Simplified Payroll Cycle flow generates a direct deposit file. The direct deposit file contains the details of the net pay distribution for each employee deposit. Financial institutions use the details in the file for processing and distributing the payments.

There are multiple steps involved with configuring direct deposit.

What you want to do	How you do it
Set up bank info	Use the Banks task from your implementation project.
Set up employer account info and organization payment methods	Use the Organization Payment Methods task to set up employer account info and organization payment methods (OPMs).
Configure payroll definitions	Use the Payroll Definitions task.
Set up employee account info	• If you haven't enabled employee self-service, use the Personal Payment Methods task to enter employee's direct deposit info. • If you have enabled employee self-service, instruct your employees to provide their direct deposit account info using the Personal Payment Methods task. They can start the task by selecting **Personal Information**, then selecting **Payroll**.

For further info, see the following sections.

Set Up Bank Info

Before you enter the employees' direct deposit account info, you must set up the banks and branches that your employees use. Use the Banks task from your implementation project to configure this for your organization.

- Banks
- Bank branches
- Account info

For further info, see Bank Configuration for the US in the Help Center.

Set Up Employer Account Info and Organization Payment Method

Use the Organization Payment Methods task to set up employer account info and OPMs. On the Create Organization Payment Method page, enter the following info pertaining to your financial institution.

Field name	How you use it
Name	Enter the name of the OPM.
Payment Type	Select the payment type for this OPM. You must create a separate OPM for domestic and international payments. Use the Direct Deposit payment type for domestic direct deposits and the International Transfer payment type for international payments. Two EFT templates are available. • PPD for US Payments • IAT for international payments For further info, see Set Up International Payment Processing for the US in the Help Center.
Currency	Select **US Dollar**.
Bank Name	Name of financial institution sending or receiving the direct deposit orders.
Bank Reference	A unique 9-digit code issued by the financial institution for identifying the destination bank routing transit number.
Company Name	Identifies the company name of the originator.
Company Reference Type	Optional name.
Company Reference	Numeric code assigned to the employer by an external authority, such as their IRS tax ID or D-U-N-S number. Must be 9 or 10 characters.
Include Balancing Entries	Select **Yes** or **No**. Determines whether the payroll process generates a balanced or unbalanced electronic payments file. An unbalanced electronic payments file doesn't have an offsetting debit record and therefore allows cases where the total debits of the file aren't equal to the total credits. Some banks require unbalanced files.
Transaction Limit	Maximum amount of money allowed on a single direct deposit transaction.
Payment Limit	Maximum amount of money allowed on a single direct deposit file.
Prenotification Required	Prenotification is the process of submitting a USD transaction in order to verify an electronic transfer's routing numbers and account number info. Use this field to indicate whether a prenotification process is required for direct deposit payment types. For further info, see Prenotifications for the US in the Help Center.
Prenotification Amount	Indicate the amount to prenote. The default is $0.

Field name	How you use it
Prenotification Days	Indicate the number of days to process a prenote.

For further info, see Organization Payment Methods for the US in the Help Center.

Configure Payroll Definitions

You must create a payroll definition that uses the Direct Deposit payment method and assign all eligible employees to it.

For further info, see Payroll Definitions for the US in the Help Center.

Set Up Employee Account Info

Set up the direct deposit account info for each participating employee.

- If you haven't enabled employee self-service, use the Personal Payment Methods task to enter employee's direct deposit info.
- If you have enabled employee self-service, individual employees can provide their direct deposit account info using the Personal Payment Methods task. They can start the task by selecting **Personal Information**, then selecting **Payroll**.

The first account you enter is the default account. If you define a second personal payment method account, you can specify the deposit amount as percent of the total amount or a flat amount.

After you have set up your employer account info and the employee's personal payment methods, the processing of direct deposits can occur. Prior to running the direct deposit process, complete these tasks.

- Calculate Payroll
- Calculate Prepayments
- Archive Periodic Payroll Results

Related Topics

- Bank Configuration for the US
- Organization Payment Methods for the US
- Payroll Definitions for the US
- Set Up International Payment Processing for the US
- Set Up International Payment Sources in Organization Payment Methods for the US

Payslips and Checks

Online Payslip for the US

The US payslip includes details of the payment, such as employee and employer information, pay period, earnings, deductions and accruals, and net pay distribution details.

It is a printable record of:

- An employee's payment for a given pay period
- Any payment not associated with a specific pay period, such as a bonus or commission payment

How to Configure the Payslip

You can edit the default payslip template to suit your organization's needs. For further info, see Configure the Online Payslip for the US in the Help Center.

Before You Can Generate the Payslip

The payslip process publishes its output to Document Records. To make sure that happens, you must define a process configuration group.

This group must have the following parameter set to **Y**:

XML Data Source For document of records delivery options performance purposes, determines if XML is derived from the database. Default: Y

When You Run the Process

To run the process:

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group.
4. Search for and select **Generate Payslips**.

When you configure the process, it requires you to select a process configuration group. Select the group you defined in the previous section.

How to View a Person's Payslip

There are four methods for viewing the payslip.

What task you want to use	How you do it
View Payslip task	1. In **My Client Groups**, click **Person Management**. 2. Search for the person in question. 3. In **Actions**, click **View Payslip**. 4. Enter the search criteria, and click **Search**. 5. Click the link under **View Payslip** for the desired payment date. 6. Click **Open**.
Person task	1. In **My Client Groups**, click **Person Management**. 2. Search for and select the person in question. 3. In **Actions**, click **Person**. 4. Click **Documents**. 5. Click the link under **Attachments** for the desired payment date. 6. Click **Open**.
Document Records task	1. In **My Client Groups**, click **Person Management**. 2. Search for and select the person in question. 3. In **Actions**, click **Personal and Employment** and then **Document Records**.

What task you want to use	How you do it
	4. Select the **Payslip** type. 5. Search for and select the person in question. 6. Click **Search**. 7. Click the link under **Attachments** for the desired payment date. 8. Click **Open**.
Employee Self-Service	1. From the employee's Me page, select **Personal Information**. 2. Select **My Documents**. 3. Select and view the payslips as required.

Frequently Asked Questions

The following table lists frequently asked questions about this report. To learn more about reports, refer to the guide Creating and Administering Analytics and Reports for HCM.

Question	Answer
How do I create this report?	1. In **My Client Groups**, click **Payroll**. 2. Click **Submit a Flow**. 3. Enter your US legislative data group. 4. Search for **Generate Payslips**.
Who uses this report?	Payroll Administrator Payroll Manager
When do I use this report?	Generate this report whenever you require printable copies of your employee payslips.
What prompts can I use to narrow the results of this report?	Use the **Payroll** field to restrict the results to a specific payroll run.
How do I share this report?	• Add to briefing book • Schedule an agent to run the report
What tool do I use to edit this report?	Oracle Business Intelligence Publisher

Related Topics

- Configure the Online Payslip for the US

Configure the Online Payslip

As with any other predefined report template, you can configure the payslip template to meet your organization's needs, such as adding secondary allowances, setting a precision value, or modifying delivery options.

By default predefined template:

- Produces both the online and printed payslips, based on the extract delivery option you set
- Provides requirements as established by certain states

  For example, California requires that retroactive payments show the period earned. The predefined payslip template displays this data.

Note: The payslip.xml file contains comprehensive employee payroll info. You must ensure that any contract you have with a third-party supplier that grants them access to this file also contains a requirement to keep your employees' info confidential.

If the default payslip doesn't meet your needs, consider the following.

- How can you edit the default template
- How you can set the precision value
- How you can set delivery options for the online and printed payslip

Configure the Default Template

To create a template based on the predefined template:

1. Log into the Oracle Fusion Business Intelligence (BI) Server, and copy the preconfigured USOnline_Payslip template, located under this path.

   `/Shared Folders/Human Capital Management/Payroll/Payment Distribution/US`
2. Open the USOnlinePayslip template, and save it under a new name.
3. Make the required changes.
4. Open the **Custom** folder.
5. Select **+Add New Layout**.
6. Under **Upload or Generate Layout**, select **Upload**.
7. In **Upload Template File**, enter or select the following.

Field name	What you enter
Layout Name	The value you enter is required when you set up and override the predefined payslip.
Template File	Select the template you just modified.
Type	RTF Template
Locale	English

8. Click **Upload**.

Add Secondary Allowances

The Archive Periodic Payroll Results process archives Secondary Allowance fields for states that offer them on their forms W-4, such as California and Georgia.

By default, the payslip displays only Allowances, but you can modify the template to include Secondary Allowances as well or the sum of the two.

Set the Payslip Precision Value

The precision value defines how many decimal points the payslip uses when showing rate amounts. While the default is two decimal places, you can change it. Changing the precision value doesn't change the accuracy of the payroll calculations. It just changes how they're captured in the archive.

To change the default payslip rate precision value on the periodic archive, do the following before you run the archive process.

1. From **My Client Groups**, click **Show More**.
2. Under **Payroll**, click **Payroll Process Configuration**.
3. Create a configuration group, and give it a meaningful name.
4. In **Details**, add a row and select **Payslip Rate Precision**.
5. Set the number of decimal places in **Override Value**.

When you run the Archive Periodic Payroll Results process, use the **Process Configuration Group** parameter to select this configuration group.

> **Note:** You can modify the precision value set on the report template itself, and this value would override the value you set on the archive process. For example, suppose you want your hourly employees to see four decimal places for rates on their payslips and the salaried employees to see only two decimal places. In this case, you would:
>
> 1. Set the **Payslip Rate Precision** process configuration parameter to four decimal places.
> 2. Modify the report template to display the rates with two decimal places only for salaried employees.
>
> For further info, see the following in the Help Center.
>
> - Oracle Human Capital Management Cloud Creating and Administering Analytics and Reports for HCM guide
> - Currency Precision
> - Rate Precision in Payslips

Configure the Online Payslip Delivery Options

Once you have configured the template, you must replace the predefined template.

1. From **My Client Groups**, click **Show More**.
2. Under **Data Exchange**, click **Extract Definitions**.
3. Enter `Payslip` as the name.
4. Select a US legislative data group.
5. Click **Search**.

6. Under **Search Results**, click **Payslip**.
7. In **Edit Extract Definition**, in **Hierarchy**, select **Extract Delivery Options**.
   If you don't see this page, click **Switch Layout**.
8. In **Extract Delivery Options**, click **Add**.
9. Add or select the following fields for the online payslip.

Field name	What you enter
Start Date	01-01-0001
Delivery Option Name	Enter a meaningful name
Output Type	PDF
Report	Enter the path of the report on the BI server It must include the "xdo" extension. For example: `/Human Capital Management/Payroll/Payment Distribution/US/USOnlinePayslip.xdo`. **Note:** This value is the file path location and not the actual name. Because there's a global payslip and a US payslip, you must ensure you're updating the US payslip.
Output Name	Provide a meaningful name
Report Layout or Template Name	Enter the name of the template on the BI server
Delivery Type	Document of Records
Bursting Node	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/REL_ACTION_ID`
Overriding Delivery Mode	US Online Payslip

10. In **Additional Details**, enter the following.

Field name	What you enter
Date From	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLL_PERIOD_START_DATE`

Field name	What you enter
Date To	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLL_PERIOD_END_DATE`
Information Text1	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_EE_INFO/EMAIL_ADDRESS`
Information Category	`US_PAYSLIP`
Information Date1	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLL_PAYSLIP_VIEW_DATE`
Information Number1	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLL_ID`
Information Number2	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_PAYROLL/PAYROLL_PERIOD_NUMBER`
Information Number3	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/NET_PAY`
Information Number5	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_INFO/GLB_ARCH_CBID/GLB_PAY_ARCH_CBID_INFORMATION/PREPAYMENT_RELATIONSHIP_ACTION_ID`
Information Number6	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_PR_INFO/GLB_ARCH_CBID/GLB_PAY_ARCH_CBID_INFORMATION/CALC_BREAKDOWN_ID`
Document Name	`PAYSLIP`
Issued Date	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/PAYMENT_DETAILS/PAYMENT_DATE`
Key	Select a value from the list in the Attribute column. It must reference the correct object. To find this value, perform a search with this criteria. o Parent Data Group: `Global Archive Payroll Calc Breakdown` o Attribute: `Calculation Breakdown Identifier`

Field name	What you enter
	○ Record: `Global CBID Information`
Locale	`En_US`
Person Id	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/GLB_ARCH_PR/GLB_PAY_ARCH_EE_INFO/PERSON_ID`
Related Object Id	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/REL_ACTION_ID`
Related Object Id Column	`PAYROLL_REL_ACTION_ID`
Related Object Name	`PAY_PAYROLL_REL_ACTIONS`
System Document Type	`PAYSLIP`

11. Click **Save**.

Configure the Printed Payslip Delivery Options

Once you have configured the delivery options for the online payslip, you must do the same for the printed payslip.

1. In **Additional Details: Payslip**, select the name of the new Printed Payslip file created.
2. Under **Extract Delivery Options**, click **Add**.
3. Add or select the following fields for the printed payslip.

Field name	What you enter
Start Date	01-01-0001
Delivery Option Name	Enter a meaningful name
Output Type	PDF
Report	Specify the path of the report on the BI server It must include the "xdo" extension. For example: `/Human Capital Management/Payroll/Payment Distribution/US/USOnlinePayslip.xdo`.

Field name	What you enter
	Note: This value is the file path location and not the actual name. Because there's a global payslip and a US payslip, you must ensure you're updating the US payslip.
Output Name	Enter a meaningful name
Report Layout or Template Name	Enter the name of the template on the BI server
Delivery Type	Document Records
Bursting Node	`/DATA_DS/G_1/FILE_FRAGMENT/PAYSLIP/PAYMENT_RECORD/REL_ACTION_ID`
Overriding Delivery Mode	US Printed Payslip

4. In **Additional Details**, set the following values.

Field name	What you enter
Key	Select a value from the list in the Attribute column. It must reference the correct object. To find this value, perform a search with this criteria. - Parent Data Group: `Global Archive Payroll Calc Breakdown` - Attribute: `Calculation Breakdown Identifier` - Record: `Global CBID Information`
Locale	`En_US`
System Document Type	`PAYSLIP`

5. Click **Save**.
6. In **Additional Details: Payslip**, select the name of the new Online Printed Payslip file.
7. Click **Save and Close**.
8. Click **Submit**.

When you run the Generate Payslip process, it substitutes the new custom template for the predefined one.

Troubleshoot the Process

If you're having difficulty generating your payslips, check the following.

1. From the Generate Payslips flow, ensure your employees were correctly processed.
2. Check the schedule process to ensure the BI jobs correctly ran.
3. In the BI Publisher process history, check which template was called, predefined or configured.
4. Drill down into the requests to see if it generated PDF files for each employee.
5. Confirm a separate Document Records process was run. From **Tools**, click **Scheduled Processes** and search for the process.

Related Topics

- Currency Precision
- Add Text to Payslips and Checks
- Online Payslip for the US
- Rate Precision in Payslips

Add Employer Phone Number to Payslips for the US

Some states have the legislative requirement to include the employer phone number on employee payslips.

Adding this number to your payslips involves:

1. Updating a contact with the number at the legal reporting unit (LRU) level.
2. Configure the payslip template if needed.
3. Running the Archive Periodic Payroll Results process.

How you enter the phone number to your organization

To capture this number, use the Manage Contacts task to update an existing contact with the employer phone number or create one.

1. Start the Manage Contact task for your LRU.
    a. In **Setup & Maintenance**, click **Search** in the menu.
    b. Search for and click **Search Legal Entities**.
    c. In the search results, select the row of your legal entity.
    d. In **Actions**, click **Manage Legal Reporting Units**.
    e. Select the row of your legal reporting unit, and click **Manage Contact**.
2. Select the contact you want to modify.

    Click **Create Contact** to define one.

    > **Note:** The contact you use must have an effective date early enough to cover historical reprinting of payslips.

3. Under **Contact Information**, click **Contact Points**.
4. Click **Create**.

5. In **Create Contact Point**, enter the following.

Field label	How you use it
Contact Point Type	Select **Phone**.
Type	Select **Land**.
Phone Country Code Area Code Phone Extension	Enter the employer phone number.
From Date	Set a date early enough to cover historical reprinting of payslips.

6. Click **OK**.
7. Under **Contact Information**, click **Contact Roles**.
8. Click **Add Row**.
9. Select **Payroll representative**.
10. Click **Save and Close**.

How you configure the payslip

When you generate the payslips, it displays the phone number in the Tax Reporting Unit Address section by default. You can change the location by modifying the payslip template.

For further info, see Configure the Online Payslip for the US in the Help Center.

What happens when you run the archive

When you run the Archive Periodic Payroll Results process, it captures the phone number based on the following.

1. It identifies the contacts having the **Payroll representative** contact role.
2. Of those, it identifies the contacts whose primary phone number is associated with a **Phone** contact point type and **Land** type.
3. In cases where there are multiple contacts meeting these criteria, it picks the one with the latest effective date.

Related Topics

- Configure the Online Payslip for the US
- Archive Periodic Payroll Results for the US

Choose Delivery Options for Your Payslip and Year-End Documents

You can set you own document print preferences using the Document Delivery action.

1. Select **Me** at the top of your home page.
2. Scroll down to **Document Delivery Preferences**, and select the edit (pencil) icon for the item you want to update.
3. Make your choices as needed.

This type	Is used for this
W_2	Employee Forms W-2, W-2GU, and W-2PR
W_2c	Employee Forms W-2c, W-2cGU, and W-2cPR
Payslip	Shows the detail for payroll payments received
1095-C	Shows the details for ACA Form 1095-C

If you select the **Online** delivery method, and grant online delivery consent, you can view your forms online. If you don't grant consent, the forms are generated and stored in Document Records, but you won't be able to view them.

Online documents are easy to access and help reduce waste and the cost of printing.

Related Topics

- How can I get my W-2?

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

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

Employee and Third-Party Check Payments

Use the Generate Check Payments for Employees and Third Parties process to generate check payments.

This process creates check payments for employees and third parties who:

- Are included in the prepayments process for a given payroll
- Are using the **Check** payment method

You must run this process standalone. It isn't part of the US Simplified Payroll Cycle flow. That flow uses the Generate Check Payments process. The Generate Check Payments process doesn't support third-party checks. For further info, see Payroll Payments Distribution for the US in the Help Center.

You have several options when it comes to generating check payments.

What you want to do	How you do it
Generate check payments	Run the Generate Check Payments for Employees and Third Parties process. This generates your checks for employees. Run the process again to generate checks for your third parties. Use **Payee Type** while running this process to select the appropriate payee. For further info, see Generate Check Payments for Employees and Third Parties for the US in the Help Center.
Combine multiple employee deductions into a single payment	You might have multiple employee deductions being made to the same third-party payee, such as multiple child support orders. In this case, rather than make separate payments for each employee deduction, use the Third-Party Payments Rollup process to combine the deductions and make a single payment.
Exclude a third party from the rollup process	There are cases where you want to exclude a third party from the Third-Party Rollup process, such as if they want an individual check per payment. Select **Exclude from Third-Party Rollup Process** on the Third-Party Payment Methods task.
Deliver payments on a date other than the employee payment date	A third-party payee might want the payments on a date that's different from the employee payment date. To do this, you apply a time definition to the third-party payment method. For example, you can make employee payroll payments on the last day of the month and then, make third-party payments 5 days later. To do this: 1. Use the Time Definitions task to create a time definition for a 5-day time span. 2. On the Third-Party Payment Methods task, select this time definition in **Time Definition**. 3. Enter the relevant process dates.

What you want to do	How you do it
	4. Run the prepayments process with an appropriate process date. The payments process runs twice, once for the process date and once for the deferred date. For example, if you entered a process date of June 30: a. It runs once for the employees with a process end date of June 30. b. It runs again for the third parties with: - Process end date of July 05 - Payment date override of July 05
Use a bank-specific check template	Different banks might require different check templates. The predefined template supports printing checks on 8.5 x 11 stock paper with the stub on top of the page and the check on the bottom third. To accommodate this requirement: 1. Create a report category for each separate bank and check template. 2. Select this report category for the requisite bank's payment source so that the process uses the correct check template to generate the check payments. 3. Use the Organization Payment Methods task to define the payment source for third-party payments. Attach the correct report category for that payment source. 4. Use **Report Category for Third-Party Payee** or **Report Category for Worker** in the **Payee info** section of the Create Payment Source page. For further info, see Configure Check Templates for the US in the Help Center.

Related Topics

- Third-Party Payment Methods
- Third-Party Payment Rollup for the US
- Third Parties Overview
- Generate Check Payments for Employees and Third Parties for the US
- Payroll Payments Distribution for the US

Configure Check Templates

The predefined check template satisfies most check printing requirements. However, you can change it to match any check format.

You can:

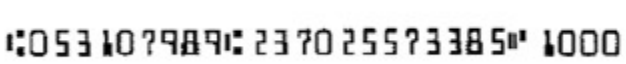
- Configure the Magnetic Ink Character Recognition (MICR) codes
- Add a signature file

How to Change the MICR Codes

As each bank uses a different MICR code on their checks, you can configure the routing and bank account numbers to ensure the Generate Check Payment process prints each of them correctly.

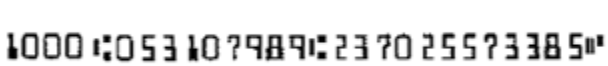
For example, the default check template uses the following MICR code format:

```
<routing number> <account number> <check number>
```



However, a bank may require this format:

```
<check number> <routing number> <account number>
```



To configure how the MICR line appears on printed checks, you must modify the predefined check template.

The following is the preferred method for configuring the predefined check template. Alternately, you could define a new delivery option to reference your own check template.

1. Log into the BI Server.
2. Copy the predefined US Check Writer Report template.

   To locate this template:

   a. Navigate to:

      ```
      /Shared Folders/Human Capital Management/Payroll
      ```
   b. Select **Payment Distribution**.
   c. Under Cheque Report.xdo, click **Edit**.
   d. Click **View a list**.
   e. Select the US Check Writer report.
   f. In the top right corner, click **Save as**.
3. Save the template into the Custom folder using the same directory structure as the seeded template:

   ```
   /Custom/Human Capital Management/Payroll/Payment Distribution
   ```

   Keep the same .xdo and template name as the predefined version.
4. Open the copied template in Microsoft Word.
5. Use the Word tools to ensure the MICR line meets the requirements of your bank. Elements you may need to change:

   - Font size
   - Order of the MICR line fields
   - Adding any necessary leading zeros to the check number, routing number, and account number

6. Use Microsoft Word's symbol library to insert or update any special characters. This symbol varies by bank. The predefined template uses the following concatenation schema for the routing number.

   <?concat(' ',SOURCE_BANK/BRANCH_NUMBER,' ')?>

   It uses the following for the account number.

   <?concat(SOURCE_BANK/BANK_ACCOUNT_NUM,' ')?>

   This concatenation of the special characters enables it to show in the check writer report output.
7. If you need to insert or update the special characters in the MICR line:
   a. Copy and paste the appropriate BI Publisher property for the appropriate field into a new Microsoft Word document.
   b. Place your cursor in the appropriate place.
   c. Open the symbol library.
   d. Select the MICR font. You may need to install this font.
   e. Insert the symbol you need into the copied BIP property.
   f. Copy the BIP property from the new Word document, and paste it into the modified check writer template.
      These symbols may appear differently when you paste it into the BIP property.
   g. Consider the following.
      - You may need to add or remove lines to control the positioning.
      - You may need to adjust the left margin alignment.
8. Save your changes.

When you run the Generate Check Payments process, the BI Publisher first looks for the template in the Custom folder. If it doesn't find it there, it uses the predefined template location.

How to Add a Signature File

If you want to use your own signature image, first save it as a .gif file.

Once you have the .gif, create a copy of the predefined check template as described in the previous section. Then you include the signature .gif in the template.

There are two methods for including the signature in the template.

What you can do	How you do it
Modify your configured check template	1. Create a copy of the predefined template as described in the previous section. 2. Design your new signature as a .gif. 3. Use Microsoft Word to open your configured check template in the **Custom** folder. 4. Paste the signature .gif on the authorized signature line in the template. 5. Save your changes.
Use nested templates	1. Create a copy of the predefined template as described in the previous section. 2. Design your new signature as a .gif. 3. Create a template for the signature .gif file.

What you can do	How you do it
	4. Edit your configured check template to call the signature template. 5. Save the check template. For further info, see the Report Designer's Guide for BI Publisher in the Oracle Help Center.

Related Topics

- Configure the Online Payslip for the US

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

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

- Report Days and Units in Payroll Reports
- Overview of Online Payslip
- How to Configure the Payslip Report Template
- How Do I Set the Payslip Rate Precision Value

FAQ for Payslips

How can I check paper-based payslip setup without printing?

Use the Payroll Payslip Setup Validation test to verify that a paper-based payslip setup is properly configured.

You must have an Application Implementation Consultant job role to have access to the diagnostic dashboard. You must have a printer configured to run this test.

International Payment Processing

Set Up International Payment Processing for the US

There are important points you must consider when setting up international payment processing.

Before you can generate international payments, do the following.

1. Verify that the International ACH Transaction (IAT) standards apply to your transactions.
2. Create an international organization payment method, and attach it to a payroll.
3. Ensure that a primary mailing foreign address exists for the payee.
4. Create an international personal payment method for the payee.

   You can use the Batch Loader process to add a personal payment method and provide country-specific bank account details for them
5. Consider how the foreign exchange type may impact currency conversions during the transactions.

For further info, see the following sections.

Do These Standards Apply to Your Transactions

IAT is the Standard Entry Class (SEC) code for the US Automated Clearing House (ACH) network. Employers use the ACH network for electronic payments and transactions.

Use IAT for any transaction involving a financial institution located outside the territorial jurisdiction of the United States. The US may be involved in the processing or settlement of the transaction.

Any ACH transactions you want to perform must use the IAT SEC code in these instances.

For example, these standards apply if your organization is any of the following.

- Non-US headquartered company with US operations
- US company with pensioners or employees located outside of the US who could potentially have funds forwarded to a non-US financial institution
- Third-party sender or payment aggregator
- US company with suppliers located outside the US
- US company receiving ACH credit entries from offshore entities

Create an Organization Payment Method

Use the Create Organization Payment Method task to define an organization payment method (OPM) for international transactions.

This OPM must have the following settings.

Field name	How you use it
Payment Type	Select **International Transfer**.
Bank Reference Type	Identify the immediate destination identification.
Bank Name	Identify the immediate destination name.
Company Reference	Identify the immediate originator name.
Payment Reference	Enter the value to appear as the Reference Code in the IAT file's header record.
Report Category	Select **Standard International EFT** to identify this payment method as being a foreign transaction.

Confirm the Primary Mailing for the Employee

For a payee to receive payments through the IAT process, they must have a foreign Primary address. The address must include the city, state or province, country, and postal code. The country of this address must be outside the United States.

Set this address through the Person task.

Create a Personal Payment Method

Use the Personal Payment Methods task to define a personal payment method (PPM) for your international transactions.

This PPM must have the following settings.

Field name	How you use it
Bank Name	Specify the name of the receiving Depository Financial Institution to be used in the Fifth Addenda Record.
Bank Account Number	Specify the receiver's bank account number.
Routing Transit Number	Identify the bank identification number of the Depository Financial Institution maintaining the receiver's account. This can be: • Nine-digit American Banking Association (ABA) routing and transit number • Eight or 11-digit Business Identifier Code (BIC) code

Field name	How you use it
SWIFT	For countries that use Society for Worldwide Interbank Financial Telecommunications (SWIFT), identify the bank identification number of the Depository Financial Institution maintaining the receiver's account. To determine the appropriate SWIFT or BIC codes for an employee's account: 1. Check online. Many major institutions post these codes, which identify the bank location and branch. 2. Contact the bank branch directly, and ask for the correct codes to use.
IBAN	For countries that use an International Bank Account Number (IBAN), identify the bank identification number of the Depository Financial Institution maintaining the receiver's account. To determine the appropriate IBAN codes for an employee's account 1. Check online. Many major institutions post these codes, which identify the bank location and branch. 2. Contact the bank branch directly, and ask for the correct codes to use
Foreign Payment	Describe the origin of the entry, so it can be displayed to the employer.
Country	Specify the receiver's bank branch location's country code.

The fields you see depend on the country chosen in the person's primary address.

By default, all employees inherit the payroll definition's OPM. To override the default when setting up an international employee, you must create an international PPM and select an international OPM.

Consider How the Foreign Exchange Type May Impact Currency Conversions

Use the Fixed-to-Fixed foreign exchange type to calculate values for international transactions.

In the Fixed-to-Fixed exchange type, both the input and output amounts are calculated in US dollars. Currency conversion doesn't occur as part of this exchange type.

For example, your company has an employee abroad, and you pay a monthly stipend of $1000. The amount is to be deposited to the employee's foreign bank account in USD. Your company originates each ACH transaction for $1000 from the employer bank account in USD. Then your company requests the bank to transfer the amount to the foreign bank account. The banker deposits $1000 in the employee bank account.

Related Topics

- How can I set up prenotification?
- International Transfer Payment Type
- Organization Payment Methods for the US
- Set Up International Payment Sources in Organization Payment Methods for the US

Set Up International Payment Sources in Organization Payment Methods

This example demonstrates how to set up international payment sources when defining organization payment methods.

In this example, the InFusion US company maintains a division in Sweden. It pays its Swedish workers by electronic funds using international ACH transfer (IAT) payments.

The following summarizes the key decisions for this scenario.

Decisions to consider	In this example
What is the destination country of these payments?	Sweden
How many organization payment methods are needed?	One method to pay by international transfer in US dollars.
How many payment sources are needed?	One for each payment source
Is notification required to alert the source financial institution before processing EFT payments?	Yes, 10 days before international payments.

Setting up an international payment source involves:

1. Fulfilling the prerequisites.
2. Setting up an organization payment method (OPM).
3. Configuring the notification setting.
4. Setting up the payment source.

For further info, see the following sections.

Before You Begin

This example assumes you have already set up the following for your organization payment methods.

1. You set up the primary ledger in Oracle Fusion General Ledger, and it is available for use.
2. You set up the banks, branches, and account info to use as the payment sources in Oracle Fusion Cash Management.
3. You have assigned the legal entity associated with the legislative data group (LDG) to a general ledger.
4. You have set up your TRUs.

Set Up the Organization Payment Methods

You must define an OPM for handling international transactions.

1. Start the Organization Payment Methods task.
2. In Search Results, click **Create**.

3. Select a US LDG.
4. Select the date when you want this payment method to be available for use, and then click **Continue**.

   Select a date that is on or before the effective date of the payroll definition or other objects that use this payment method.
5. In Basic Details, complete the following.

Field name	What you enter
Name	Payroll Direct Deposit Sweden
Payment Type	International Transfer **Note:** The available payment types for organization payment methods can vary by legislation.
Currency	US Dollar

6. Click **Save**.

Add the International Transfer File Info

When you select the International Transfer payment type, you can enter info at the following levels:

- Organization payment method
- Payment source
- Both levels

Note: International Transfer file info you enter at the payment source level takes priority over info entered at the OPM level.

In this example, set the International Transfer info at the OPM level. Use this level because your company requires notification of planned transfers within 10 days before the transfer date.

1. In Payment Information , enter the following.

Field name	What you enter
Prenotification Required	Yes
Prenotification Days	10

2. Click **Save**.

Set Up the Payment Source

Set up a payment source specific to this particular bank and branch in Sweden.

1. In Payment Sources under Payment Source Information, click **Create**.
2. On the Create Payment Source page, complete these fields.

Field name	What you enter
Name	Payroll IAT Source Sweden
Bank Account Name	InFusion Bank of Sweden
Bank Reference	12345678
Company Reference	456789012

   Keep your payment source names unique and as specific as possible for each scenario. This naming convention helps when managing complicated combinations of organization payment methods and payment rules.
3. Click **Continue**.

Related Topics

- How can I set up prenotification?
- Organization Payment Methods for the US
- How Payment Methods and Payroll Definitions Work Together
- Set Up International Payment Processing for the US

International Payment Reporting for the US

You use the Make EFT Payments flow to generate electronic funds transfer (EFT) payments, including international payments, and to generate reports on them. Run this process after you have completed your payroll processing and are ready to issue the payments.

To run this flow:

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group.
4. Search for and select **Make EFT Payments**.

You can select a payroll for which prepayments have been processed or select a range of dates to process multiple payrolls.

- If you select a payroll, the consolidation set is automatically selected.
- If you don't select a payroll:
  a. You can choose one of the listed consolidation sets. This selects all payrolls in that consolidation set.

b. The flow runs on all payrolls within the **Process Start Date** and **Process End Date** range.

Prerequisites

Before you can create an international payment:

1. Create an international organization payment method (OPM).

   For further info, see Organization Payment Methods for the US in the Help Center.
2. Attach the OPM to a payroll.
3. Verify that there is a primary mailing foreign address for the employee.
4. Create an international personal payment method for the employee.

Report Parameters

You can specify the following settings in the Make EFT Payments process.

Field name	How you use it
Payroll	To process a single payroll, select the payroll run for which you're generating International ACH Transactions (IAT) payments. Only payrolls for which prepayments have been processed are shown.
Process Start Date	To capture payments for multiple payrolls, select the start date of the range for which you want to generate IAT payments.
Process End Date	Select the end date of the range for which you want to generate International transfer payments.
Consolidation Set	If a single payroll is selected, then the corresponding consolidation is automatically displayed in this field. If a consolidation set is selected, then all payrolls in that consolidation set are automatically selected.
Organization Payment Method	Select an OPM. Only the OPMs that are associated with international transactions are listed.
Payment Source	Optionally, select the payment source from the list of sources associated with this OPM.
File Reference	Optionally, enter a single alphanumeric character to distinguish multiple versions of the file created the same day. Valid characters include uppercase A-Z and 0-9.
Company Entry Description	Describe the purpose of the payment in up to 10-characters as it should appear in the Batch Header Record, field 10. For example, payroll or reversal.
Overriding Payment Date	Optionally, specify the date transactions are to post to the receiving account.

Report Output

The Make EFT Payments process generates both an electronic file and an audit report. To report international payments, employers submit the IAT electronic file to National Automated Clearing House Association (NACHA) and

use the audit report for reconciliation. The report process generates the following files with separate report-job name numbers.

- IAT electronic file for international payments
- PPD electronic file for US payments

  PPD is the EFT template for US payments.
- Audit report for verification of details and totals
- Prenotification files

  For further info, see Prenotifications for the US in the Help Center.

Related Topics

- Organization Payment Methods for the US
- Prenotifications for the US
- Set Up International Payment Processing for the US
- Make EFT Payments for the US
- Set Up International Payment Sources in Organization Payment Methods for the US

Configurations for International Transactions

If your transaction is one of the following types, your Automated Clearing House (ACH) transaction must use the International ACH Transaction code. You must select the International Transfer type if you're:

- Non-US headquartered company with US operations

  For example, you're a company based in Sweden that has employees based in the US.
- US company with pensioners or employees located outside of the US who could potentially have funds forwarded to a non-US financial institution.

  For example, you have a company based in the US with employees located in Ireland, or pensioners located in France.
- Third-party sender or payment aggregator
- US company with vendors located outside the US

  For example, you have a US company that has vendors in China and makes payments to China.
- US company receiving ACH credit entries from offshore entities

Related Topics

- Set Up International Payment Processing for the US
- Set Up International Payment Sources in Organization Payment Methods for the US

FAQ for Payment Methods

What's the International Transfer payment type?

This payment type supports payment methods for electronic funds transfer (EFT) payments in a different country from the originating payment source.

As a Payroll Manager, you can create EFT payment methods for employees to transfer funds to foreign banks if an International Transfer organization payment method exists for their legislative data group.

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

15 Set Up Payroll Flow Patterns

Flow Patterns

Overview of Payroll Flows for the US

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 of 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 US Simplified Payroll Cycle flow. This flow includes all tasks for a payroll period in a best practice flow.

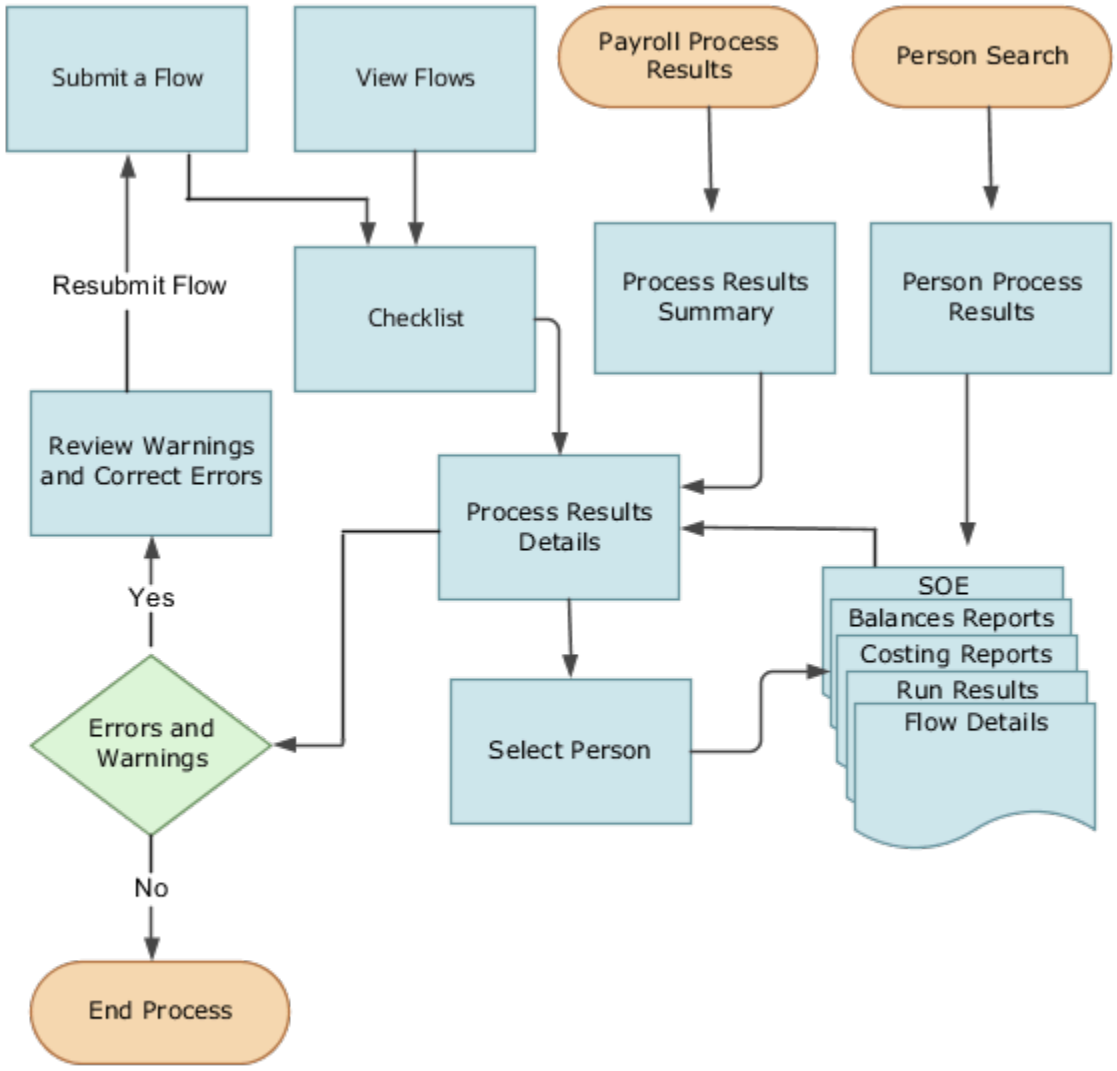
You can:

- Run the predefined flows directly.
- Use them as templates to create your own.
- Copy a predefined flow pattern and edit it to meet your business requirements, such as add, delete, or move a task in the schedule.

There are also features to help you to design flows that address other complex business requirements that automate repetitive tasks with a single flow submission, such as the task iterator. 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 then 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 info to the pages that provide detailed employee-level info. Such as **View Flows** to **Checklist** and **Process Results Details**.



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

Page name	How you use it
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 **My Client Groups > Payroll**. 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.

Page name	How you use it
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 info for a specific task, select the task and navigate to the Process Results Details page.
Process Results Details	Use **Process Results Details** to view detailed info for a flow task, such as: • Errors and warnings • Report output • Log files
Errors and Warnings	Use **Errors and Warnings** to view messages pertaining to persons or processes. You can also access this page from **Process Results Summary**. After you resolve all issues, navigate back to **Checklist** to continue processing any remaining tasks within your flow.
View Flows	Use **View Flows** 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 **Checklist**, to get more detailed info for the tasks within the flow. Navigate to **View Flows** from Quick Actions or **My Client Groups > Payroll**.

For further info, see Administering Payroll Flows on the Help Center.

Related Topics

- Payroll Flow Patterns and Flows for the US
- US Simplified Payroll Cycle Flow

Payroll Flow Patterns and Flows for the US

There are several predefined tasks you can use to define and process payroll, such as processes, reports, and tasks. You can group together a set of tasks to form a flow.

When you submit a flow pattern, you must provide a unique name for it. This instance of a flow pattern is referred to as a flow.

A flow pattern is a series of tasks that are grouped together in a predefined order. The tasks are grouped into activities, such as extract reports and processes, or tasks that cover a phase of the payroll process. A flow pattern can consist of a single task such as Calculate Payroll or a series of tasks that are grouped together in a predefined order. The tasks are grouped into activities such as extract reports and processes, or tasks that cover a phase of the payroll process. A flow pattern can include automatic or manual tasks.

You can manage flows in these ways.

What you can do	What this does
Manage a flow: 1. From **My Client Groups**, click either **Payroll** or **Data Exchange**. 2. Click **Submit a Flow**.	• Determine the sequence of tasks executed. • Define parameter binding rules so that parameters that are common across multiple tasks, such as dates, can be entered only once on submission. When the flow is submitted, the same value can be used across all tasks within the flow. • Use the checklist to monitor the status of tasks within the flow.
Schedule a flow	• Run the flow at a specified time or at regular intervals and monitor the status of the tasks within a flow • Link one or more flows to create a process • Define a flow within a flow • Define a flow to execute multiple instances of a task within the flow

Predefined Flow Patterns

The following payroll flow patterns are automatically available to you.

- Expedited Payroll Flow
- Payroll Cycle
- QuickPay
- QuickPay and View SOE
- QuickPay Simplified
- Run Employee Active Payroll Balance Report
- US Simplified Payroll Cycle

For example, the Expedited Payroll Flow pattern includes a sequence of payroll tasks and reports to identify, calculate, and make expedited payments. The flow pattern includes the following tasks.

1. Recalculate Payroll for Retroactive Changes
2. Calculate Payroll
3. Calculate Prepayments
4. Archive Periodic Payroll Results
5. Generate Check Payments
6. Make EFT Payments
7. Generate Payslips

Apart from the above task flows, you can also have flows, like the Generate Check Payments or the Run Payroll Register, that submit a single process or report. You can submit these flows as a stand-alone, individual task or include them within a flow to complete a process.

Configured Flow Patterns

You can modify an existing flow and add, delete, or reorder the list of tasks within a flow.

Use the Payroll Flow Patterns task to create your own flow patterns or copy an existing flow pattern.

1. From **My Client Groups**, click **Payroll**.
2. Click **Payroll Flow Patterns**.

You can also use the Refine Extracts task.

1. From **My Client Groups**, click **Data Exchange**.
2. Click **Refine Extracts**.

Scheduled Flow Patterns

You can schedule flows to run at a specified time or at regular intervals and monitor the status of the tasks within a flow. You can also:

- Link one or more flows to create a process
- Define a flow within a flow
- Define a flow to execute multiple instances of a task within the flow

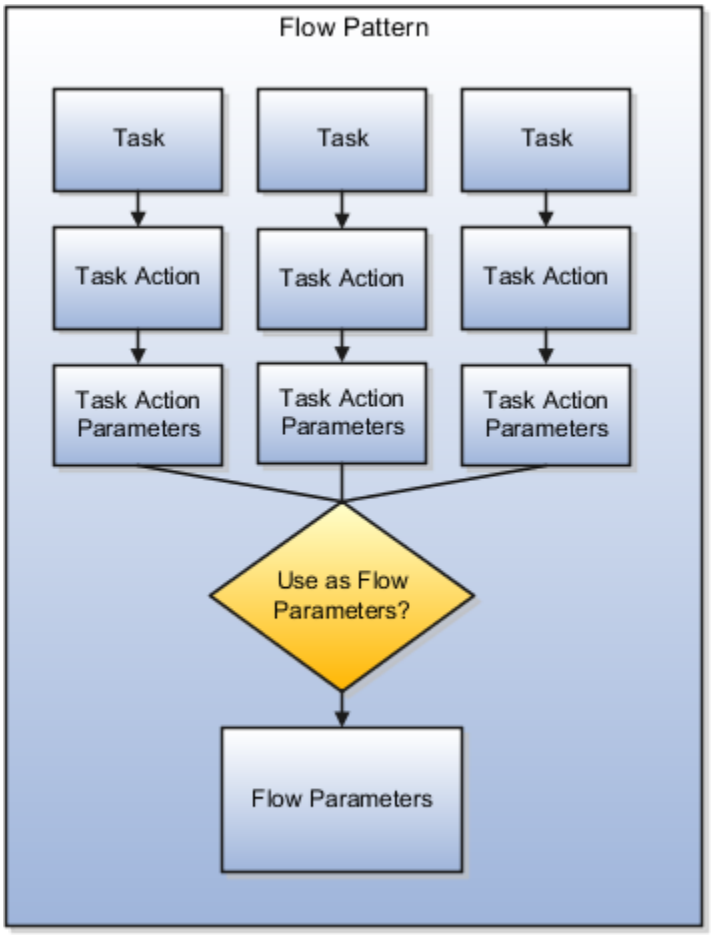
Related Topics

- Checklist and Flow Tasks
- US Simplified Payroll Cycle Flow

Flow Pattern Parameters

Each task in a flow pattern supports task actions, such as submit, roll back, mark for retry, retry, and view. Task action parameters control how the application processes a task and how the task relates to other tasks in the flow pattern.

Flow parameters are a subset of task action parameters. They supply the information required to successfully complete the tasks in the flow pattern.



The values of some task parameters can't be derived or defaulted, and you must make a manual entry. The other parameters are defaulted or are derived. You can add new flow parameters from the list of available task parameters, or update the details of the existing flow parameters.

A parameter is defined in the application database using a Base Flow Parameter Name. If the report parameter name, exposed in the UI at the flow-level, matches the Base Flow Parameter Name, then the list of values are defaulted directly. The Base Flow Parameter Name isn't exposed on the UI.

If required, edit a base flow parameter and rename it. You can see the edited parameter name on the flow submission page when you submit the flow. The base flow parameter name isn't displayed on the UI.

- When you create a flow pattern, review and edit the task parameters for the Submit task actions.
- Before you submit a flow, review and edit the task action parameters and the flow parameters for each task within the flow. Task action parameters control task interactions.

These are the parameter details you can edit.

Display and Display Formats

Use the Display parameters to control the format and availability of the flow parameter on the UI.

Parameters	Purpose
Display	Determines whether the parameter displays on the page when you submit the flow.

Parameters	Purpose
Display Format	Identifies the type of data displayed, such as a date or text, or choice list

Display parameters work with other parameters, such as Parameter Basis and Basis Value. For example, most task action parameters don't display the Request parameter because the application obtains the value for this parameter from the context.

This table displays the display format options that you can use for the different types of flow parameters.

Display Formats of Flow Parameters

Display Format	Code	Usage
Date	D	Use this format for a Date parameter. Use the date picker to enter an input value.
Choice List	L	Use this option to display a list of values coming from a value object returning a specific code and meaning.
Lookup Choice List	LK	Use this option to display a list of values defined in a lookup.
Number	N	Use this option to enter only numbers, such as 0, 1, -1, 0.5
Positive Number	PN	Use this option to enter only non-decimal, positive numbers, such as 0, 1, 2, 3.
Smart LOV	LOV	Use this option an advanced version of List Of Values supporting user-defined values based on dependency, View Criteria, Display and Storage attributes backed by a value object.
Text	T	Use this option to enter any text.
Value Set	ORA_VALUESET	Use this option to display a list of values defined Value Set.
Typed Search	TS	Use this option to display a list of values defined Value Set using lazy loading support.
WebCenter Content File	UCM	Use this option to upload files to UCM and pass the UCM ID to the process.
Integer	INT	Use this option to enter only non-decimal numbers, such as -1, 0, 1, 2, 3.
Positive Rational Number	PRN	Use this option to enter positive numbers including decimal, such as 0, 1, 2, 2.5, 3, 3.5.

When defining your flow parameter, use the Display value options to determine if the parameter should be displayed on the UI and if a parameter value is required when you submit the flow.

Option	Used to
Mandatory	Display the parameter on the UI and it's mandatory for you to enter a value during flow submission.
No	Derive or default the parameter value, the parameter isn't displayed on the UI.

Option	Used to
Yes	Display the parameter on the UI, but it's optional for you to enter a value during flow submission.

Lookups and Value Sets

Use lookups and value sets for descriptive flexfields to control and validate the data used in the payroll flow pattern. Select from a list of predefined application lookup values or value sets or ones that you have defined.

This table lists how the lookup values are derived and the corresponding parameter basis you can use.

Lookup Value	Parameter Basis to Use
Entered when submitting a flow	Bind to Flow
The application derives the value during flow submission and presents it. The value is derived from existing tables, such as the value for the payroll statutory unit. During flow submission, you can either use the derived value presented to you or override it.	SQL Bind or Bind to Flow Task or Context Binding
The application derives the value from a Post SQL process	Post SQL Bind

Usage

A parameter can receive information or generate information that subsequent tasks can use. For example, for the Calculate Payroll task, the Payroll Process parameter for the Submit task action generates an output value for the payroll action ID. The Retry task action can use this payroll action ID.

For output usage parameters the parameter isn't displayed and its value is derived using the parameter basis.

Parameter Option	Setting
Display	No
Parameter Basis	• Bind to Flow, the application derives the value from the flow parameter and then updates the flow parameters table with the output value • If you select no value, the output value results from the task's output

Sequence

Sequence indicates the order in which the parameter is available on the UI for you to enter a value. Sequence numbers control the order in which the application processes and displays the parameters. In the case of hidden parameters, they're processed after a required or dependent parameter is processed.

For example, if you have two lookups and the values of the second lookup depends on the first lookup. You must set the first lookup to a lower sequence number than the second one.

Parameter Basis and Basis Value

The parameter basis controls how the application derives the value for the parameter. The basis value further specifies the value the application uses for the parameter.

This table provides list of values to select parameter basis and basis values when you define payroll flows. Also view examples of when you can select them and how the values are assigned.

Parameter Basis	What the Parameter Basis Does	Basis Value Available	Example
Constant Bind or Use Specified Value	Assigns a specific value to the parameter.	Enter the text as a constant or value, when you submit the flow.	Specify a constant if the value is the same for all tasks, such as the payroll statutory unit.
Bind to Context	Derives the value from the context of the current flow instance or the task instance of the flow pattern.	Select flow, task, or the Request. The application automatically generates the parameter value.	If the task includes a Request parameter, bind it to the flow context. Tasks in the flow reference this task using the Request ID generated by the application. Bind the legislative data group parameter to a task parameter that supplies the legislative data group. For example, the legislative data group for prepayments uses the payroll as context, because it's already associated with the legislative data group.
Bind to Flow Parameter	Derives the value from one of the flow parameter values.	Application automatically derives the parameter value.	Bind a parameter to the flow that several tasks share to avoid multiple occurrences of the same parameter.
Bind to Flow Task Parameter	Binds the value to the output of the previous task.	Select a value from the previous task's parameters.	Bind a parameter to a task, such as Retry corrective action. When the flow owner resubmits the task to retry it, the application uses the output of the Submit task parameter.
Bind to Task Parameter	Resolves the value for the task parameter.	Select a value from the current task's parameters.	Bind a parameter to the task if several tasks share a parameter, such as a start date, but one task requires a different date.
No value specified	Stops the application from generating a parameter value when the task executes.	Application generates a blank value.	Not applicable

Parameter Basis	What the Parameter Basis Does	Basis Value Available	Example
Post SQL Bind	Calculates the parameter but doesn't display it on the user interface.	SQL statement calculates the parameter value.	Bind a parameter using the Post SQL bind to generate data. For example, use a post SQL process to use the payroll period and payroll parameters entered by you and generate the process date. The payroll and payroll period are mandatory parameters. They have a higher sequence number than the process date, so that the process date derives its value after you enter their values.
SQL Bind	Calculates and displays value on the user interface, prior to submission.	SQL statement calculates the parameter value and display it on the user interface, before submission.	Bind a parameter using SQL Bind For example use SQL Bind to calculate the payment type parameter for the Generate Check Payment task. The application obtains the payment type ID for the check payment record. Use SQL Bind to prompt the task owner to enter a reason for a corrective action, such as a QuickPay.

The Basis Value is related to the Parameter Basis. For example, when the Parameter Basis is Post SQL Bind the Basis Value contains the SQL used for the Post SQL Bind.

How Do I Create a Flow Pattern

Use the delivered flow patterns to copy and create flows and complete your payroll tasks. Add the delivered tasks, such as processes, reports, or task flows in a sequential order and build the flow.

For example, use the delivered Expedited Payroll flow pattern to identify, calculate, and make expedited payments. Add the delivered reports to review payroll calculation results and prepayments before making the payments.

Optionally you can create your own flow pattern.

Let's look at the steps to create a flow pattern.

1. Search and select **Payroll Flow Patterns** under **Payroll** in **My Client Groups** on the Home page.
2. Either use the **Create** icon to create a flow pattern or search for and select an existing flow pattern to copy.
3. On the Basic Information window, select a legislative data group (LDG) and click **Continue**.
4. Make these selections on the Create Payroll Flow Pattern: Basic Information page.
    a. Enter a name for the flow pattern and provide a description.
    b. Select an option for the **LDG Required** field.
    c. Select a **Flow Status** option.
5. Select the activities and tasks to include in the flow pattern.

6. Click **Next**. On the Tasks page, complete this information.
    - If necessary, rename the task and description, and change the activity or task group.

      For example, place all your reports in the Statutory activity and rename each verification task to include the report name.
    - Select a task owner. Use the **Owner Type** field to select a group or a single user.
    - Select the type of notifications that you want the flow or task owner to receive.
    - If required, select the **Process After Error** check box for a task to allow the flow to continue even if a previous task has encountered an error.
7. On the Task Sequence page, review the task sequence and reorder, add or delete tasks, as required.

   All flow patterns begin with a Start task and conclude with an End task. Tasks are sequential but you can also process more than one task concurrently. For example you can run reports concurrently along with the process.
8. On the Edit Task Details: Owner and Checklist page, specify a sequence value and decide the order in which the tasks display in the checklist.
9. On the Parameters page, select the parameters to submit and complete the tasks in the flow pattern. Alternately, use the parameters as a basis for deriving values to submit the remaining tasks in the flow pattern.
10. On the Task Parameters page, review and if necessary, update the parameters.

    For example, specify a constant if the value is the same for all tasks, such as the Process Configuration Group parameter.
11. Click **Next**. Use the **Connected Flows** field to select the flows you can connect to this flow and consolidate the run results.
12. Click **Next** and review the resulting checklist. Review the task sequence and make corrections if required. You can add or delete tasks and move around tasks to revise the task sequence if required.
13. Click **Submit**.

Use the Manage Payroll Flow Security Profile task In the Setup and Maintenance work area, to define a security profile for the flow pattern.

The HCM data role security controls who can submit the flow pattern or view the resulting flow from the Checklist or View Flows pages.

Related Topics

- Flow Pattern Parameters
- Flow Security and Flow Owners
- Flow Pattern Components
- Considerations to Create a Flow Pattern
- Considerations to Assign Multiple Owners for a Flow

Examples of Editing Flow Patterns

Review these scenarios to understand how you can edit flow patterns to meet the requirements of your enterprise. Use the Payroll Flow Pattern task or the Refine Extracts task to edit these scenarios.

Update a Parameter to Use a Specified Value

Your payroll uses a single process configuration group named InFusion Consolidation Group A. You want to specify a constant for the configuration group task action parameter and hide the parameter to avoid data entry mistakes. Perform these steps.

1. Query the flow pattern you defined for the payroll cycle.
2. On the Parameters tab of the Payroll Flow Pattern page, edit the Process Configuration Group parameter.

   Enter these values to maintain a constant value for the Process Configuration Group task action parameter and avoid data entry mistakes.

Parameter Detail	Value
Display	No
Display Format	Text
Lookup	No value
Usage	Input Parameter
Parameter Basis	Constant Bind
Basis Value	InFusion Configuration Group A

Supply a Reason for a Corrective Action

Your enterprise typically issues electronic funds transfer payments. You defined a flow pattern to issue check payments and you want to verify and track the reason managers issue checks. You can add a flow parameter to capture that information.

1. Query the payments flow pattern you defined.
2. On the Parameters tab of the Payroll Flow Pattern page, Select and Add the Reason parameter to include the parameter as a flow submission parameter. Enter these details.

Parameter Detail	Value
Display	Yes
Display Format	Text
Lookup	No value

Parameter Detail	Value
Usage	Input Parameter
Parameter Basis	Context Binding
Basis Value	Payroll Flow

Add Tasks and Reorder the Task Sequence

Your flow pattern includes the Calculate Gross Earnings process and the Element Results Register Report. Perform these steps to run the two extract reports concurrently, and add a verification task, to simplify the checklist to a single list.

1. From the Data Exchange area, select the **Refine Extracts** task.
2. On the Refine HCM Extracts page, query the flow pattern.
3. On the Tasks tab of the Payroll Flow Patterns page:
    a. Add the first extract report, specifying the same Activity and Task Group as the Calculate Gross Earnings.
    b. Add the second extract report, specifying the same Activity and Task Group as the Calculate Cross Earnings.
    c. Add a manual verification task, specifying the same Activity and Task Group as the Calculate Cross Earnings.
4. Edit each task, specifying a sequence number on the Edit Task Details: Owners and Checklist Details page.

    The lowest number is used for the first task in the checklist. For example, you might specify a sequence of:

    - 10 for the Calculate Gross Earnings task
    - 20 for the first extract report
    - 30 for the second extract report
    - 40 for the manual verification task
5. On the Tasks Sequence tab, reorder the sequence of reporting tasks in this order to run the two reports concurrently.

Task	Following Task
Start Flow	Calculate Gross Earnings
Calculate Gross Earnings	First extract report
Calculate Gross Earnings	Second extract report
First extract report	Manual verification task

Task	Following Task
Second extract report	Manual verification task
Manual verification task	End Flow

Automatically Increment Dates in the Scheduled Extract

You create a flow pattern to extract weekly payroll data that requires the user to enter a process date parameter. You schedule the extract to run weekly. The application evaluates the flow parameters at the time of submission, and the task parameters at the beginning of task execution. You edit the task parameters to automatically increment the date field. The date values are derived from the default date parameter values.

You use the Refine Extracts task or the Payroll Flow Patterns task. Perform these actions to edit the task parameters on the task's Basic Information page.

1. Select the **Process Date** parameter.
2. Select **Context** binding from the Parameter Basis field.
3. Select **System Date** from the Basis Value field.

How Do I Copy and Edit a Flow Pattern

This example demonstrates how you can copy the predefined QuickPay flow pattern and edit the flow pattern.

The edits include these changes to the copied QuickPay flow pattern:

- Designate a person with Payroll Manager Operations role as the task owner for the Verify Prepayment Results task. The task owner reviews the prepayments results before generating the payments.
- Schedule the verification task to start two days before the process date for the Generate Check Payments task starts. You notify the owner that verification starts before the next task should begin.

Note: In this example, the process date is the date paid.

Before you start, create a QuickPay flow pattern by copying the predefined QuickPay flow pattern, entering a name for the flow pattern and selecting a legislative data group.

Let's look at the steps to specify a task owner for the Verify Prepayment Results task.

1. Use the Payroll Flow Patterns task.
2. On the Payroll Flow Patterns page, search for the QuickPay flow pattern that you created, and edit the flow pattern.
3. On the Tasks tab, select the Verify Prepayment Results task, and click **Edit Task**.
4. On the Edit Task Details: Owner and Checklist page, select the **Payroll Manager Operations**role as the checklist owner.

5. On the Edit Task Details: Duration and Notifications page, in the Duration region, enter these values.

Field	Value
Due Date	Process Date
Offset	-2

6. In the Notifications region, select the **Flow Task Start Notification** option.
7. Click **Submit**, and return to the Payroll Flow Patterns page.
8. On the Payroll Flow Patterns page, click **Submit**.

Create a Flow Pattern to Reissue a Check

In this example, you create a payroll flow pattern to issue a replacement check that an employee lost or didn't receive.

Here's the key decisions to consider for this scenario.

Decision to Consider	In This Example
Which tasks should the flow pattern include and in what sequence?	Verify a Payment, Void Payment, Generate Check Payment
Who has access to submit the flow?	InFusion Payroll Manager
Which notifications should the flow owner receive?	Error and Warning notifications
Which predefined task or flow parameters do you want to override?	Process Configuration Group parameter for the Void Payment task

Create the Payroll Flow Pattern

1. Select the Manage Payroll Flow Patterns task and create a new flow pattern for the legislative data group.
2. On the Create Payroll Flow Pattern: Basic Information page, complete these fields.

Region	Field	Value
Basic Information	Flow Pattern	InFusion Reissue Check
Activities	Activities to Include	Payment

Region	Field	Value
Tasks	Available Tasks	Void Payment, Generate Check Payments, Verify a Payment

3. Click **Next**.
4. On the Create Payroll Flow Pattern: Tasks page, select the **Verify the Payment** task.
5. In the Owner and Checklist region, click the Owner field, and select **Payroll Manager**.
6. On the Create Flow Pattern: Tasks Sequence page, confirm tasks follow this sequence: Verify a Payment, Void Payment, Generate Check Payment. Correct the sequence, if necessary.
7. On the Create Payroll Flow Pattern: Flow Parameters page, click **Select and Add**. For each field. select these multiple parameters from the Select and Add window.

Field	Value
Void Payment	Start Check Number, End Check Number, Process Configuration Group, Process Date, Payroll Process, Reason **Note:** With the exception of the Reason parameter, only the Generate Check Payment task uses these parameters. Add them only once as flow parameters to cover both tasks.
Generate Check Payment	Payroll, Start Date, Consolidation Group, Organization Payment Method, Overriding Payment Date, Payment Source, Payment Type

8. Select the row for the Process Configuration Group flow parameter and select these values for the flow parameters.

Field	Action
Display	No
Display Format	Text
Lookups	No value
Parameter Basis	Use Specified Value
Basis Value	InFusion Process Configuration Group

Field	Action

Don't edit the Process Configuration Group task parameter. The application uses the details specified for the flow parameter, not the task parameter details.

9. On the Create Payroll Flow Pattern: Review page, preview the resulting payroll checklist, and submit the flow pattern.

US Simplified Payroll Cycle Flow

Use the US Simplified Payroll Cycle flow to run payroll and ancillary processes for your organization.

What Processes It Uses

This flow uses these processes to complete your payroll run.

Flow action	Check here in the Help Center for more info
Run the Payroll Data Validation Report	Payroll Data Validation Report for the US
Run the Retroactive Notification Report	Retroactive Notification Report for the US
Recalculate retroactive items	How the Payroll Process Calculates Retroactive Pay for the US
Calculate payroll	Calculate, Validate, and Balance Payroll for the US
Generate the Gross-to-Net Report	Gross-to-Net Report for the US
Calculate prepayments	Calculate Prepayments for the US
Archive periodic payroll results	Archive Periodic Payroll Results for the US
Generate the Payroll Register	Periodic Payroll Register Report for the US
Make EFT payments	Make EFT Payments for the US
Generate the check payments	Generate Check Payments
Generate payslips	Generate Payslips Payment Distribution Reports for the US

Note: When running the report processes, you can choose to generate them in Microsoft Excel format. For further info, see Generating Payroll Reports in Microsoft Excel Format in the Help Center.

How It Generates Checks

The flow uses the Generate Check Payments process to generate checks for your employees. This process doesn't support generating checks for third parties.

When you run this flow:

1. Be sure to select organization payment methods appropriate for your employees. Don't select one for third parties.
2. If your payroll run includes payments to third-parties, run the Generate Check Payments for Employees and Third Parties process. This generates the third-party checks.

   For further info, see Generate Check Payments for Employees and Third Parties in the Help Center.

Note: The Generate Check Payments process uses the last check number of the previous run plus 1 as the default **Start Check Number** parameter. If you run multiple payrolls at the same time, they could use the same default check number. To prevent this from happening:

1. Configure your own Simplified Payroll Cycle flow.
2. Remove the Generate Check Payments process.
3. After each payroll cycle completes, run the process manually, selecting the correct value for the **Start Check Number** parameter.

For further info, see Generate Check Payments in the Help Center.

How to Validate Your Implementation

When you run this flow for the first time after implementation, use the Element Results Register to reconcile the run results with the results from your legacy payroll. For further info, see Element Results Register for the US in the Help Center.

Related Topics

- How the Payroll Process Calculates Retroactive Pay for the US
- Overview of Payroll Flows for the US
- Payroll Flow Patterns and Flows for the US
- Calculate, Validate, and Balance Payroll for the US

How QuickPay Is Processed

Watch video

Follow these steps to run a simplified QuickPay, add a referral bonus, and verify payment calculations.

1. Navigate to **My Client Groups > Payroll** on the Home page, and select the **Calculate QuickPay** task.

2. Use the single-search option on the Person Search page and search for the person for whom you want to process the QuickPay. Based on the person you select and effective date used for the search, the QuickPay process displays a single page that populates parameters, such as the person's payroll, date earned, and flow name.
3. The Effective As-of Date defaults to the current date. Enter a specific **Effective As-of Date** if you want to process the QuickPay for a specific payroll period. The payroll period defaults from the date you use for person search.
4. By default, the delivered QuickPay flow uses the default consolidation group that's assigned to the payroll. To change this value, use the **Consolidation Group** parameter.
   The payroll and period name is derived from the effective date, and based on the effective date the date earned, and process date are automatically defaulted.
5. Select the **Select All** checkbox if you want to process all the elements for the selected employee. Optionally, you can select elements you want to process by selecting the specific element checkbox.
6. Click **Show Filters** and then **Expand All** to view and select any of the filter options to narrow down your search and select the elements.
7. Follow these steps to add a referral bonus.
   a. Click **Search** on the **Element Name** field.
   b. In the Element Name field, enter **Referral**.
   c. Click **Search**.
   d. In the Search Results, click **Referral Bonus HC**.
   e. Click **OK**. You can now see the details of the assignment the element is assigned to.
8. Click **Continue**.
9. Enter the referral bonus amount in the **Amount** field.
10. Enter an **Effective End Date** only if it's a recurring element. Since this is a nonrecurring element, the Effective End Date is automatically populated because it only runs for this one pay period.
11. Click **Submit** to submit the QuickPay.
    After you submit the QuickPay successfully, you can see the employee's Statement of Earnings, which shows the period the referral bonus was processed, the start and end date, and the payroll that it was run for.
12. Click **Show Details** to view the earnings breakdown of the employee, including the referral bonus you just entered.

You can now run additional processes such as the calculate QuickPay Prepayments, Archive, Payslip, and if I wanted to pay the employee by check, the Check Writer process.

How to Run QuickPay Flows

Create a QuickPay flow to include additional tasks as per your requirement. For example, create a QuickPay to Payslip flow to process QuickPay and prepayments, and then generate the payslip to make payments.

Use the Payroll Flow Patterns quick action under Payroll from My Client Groups on your Home page, to create a flow and add the requisite tasks to the flow as per your requirement.

Flow Pattern Type

When you create your own QuickPay flow, use the **Flow Pattern Type** field on the flow setup page to set the flow as either of these:

- QuickPay

- QuickPay with Parameters

Note: These options are available only for user-defined flows you set up at the enterprise level. You don't select an LDG for the flow at the time of creation of the flow.

Select the QuickPay with Parameters option if you include tasks that have additional parameters other than those available on the delivered QuickPay Submission page.

The parameters available to you is dependent on the tasks you include in the QuickPay flow. For example, you must include the payment-related tasks of prepayments, check payments, or EFT payments for the QuickPay Submission page to display payment-related parameters of payment methods, payment source, and so on.

Actions Menu

When you select QuickPay or QuickPay with Parameters option as the Flow Pattern Type for a flow, the flow is available for you to set as the default flow.

The Calculate QuickPay task defaults to the QuickPay Simplified flow. Use the **Actions** menu on the QuickPay Submission page to select and submit an alternate QuickPay flow to the one defaulted by the Calculate QuickPay task. Select a flow that you want to submit without navigating away from the QuickPay Submission page.

Note: For a flow to list within the Actions menu, you must tag the flow as a QuickPay or QuickPay with Parameter flow on the flow setup page.

Parameter Input Page

If any of the added tasks in your QuickPay flow have additional parameters other than that included on the QuickPay Submission page, select the **QuickPay with Parameters** option on the flow setup page.

When you set this user-defined flow as your default flow and submit the flow, the application automatically displays the Parameter Input page first for you to define the additional task parameters. The QuickPay Submission page displays subsequently.

Note: If you don’t select the **QuickPay with Parameters** option on the flow setup page, the Parameter Input page doesn’t display when you submit the flow.

Key Parameters

When you set up a user-defined flow as a QuickPay flow, set these two parameters as the key parameters for the flow:

- Effective Date
- Payroll Relationship

If you don’t set these two parameters as the key parameters, the flow setup fails and generates an error.

Flow Status

Set the flow as **Active**. Flows that are inactive, hidden, or created at an LDG-level aren’t listed on the QuickPay submission page for you to select. You can only select and submit enterprise-level flows.

Process Configuration Group

Use the **Process Configuration Group** parameter to select a process configuration group of your choice when submitting a QuickPay.

- If you don't make a selection, the process configuration group value defaults to what you have set using the ACTION_PARAMETER_GROUPS profile option.
- However, if you haven't set the profile option and the field is left blank, then it defaults to the default group for the QuickPay process.

Enable Payroll Background Process

The payroll background process runs continuously to handle periodic requests for processing. To enable the payroll background process for QuickPay, edit the **Pay Daemon Group** action parameter group and set the 'Enable QuickPay Daemon' to **Y**.

Enable Logging

To facilitate process diagnostics of the QuickPay process, submit the QuickPay with the **Upload logs for Payroll Background Process to the UCM server** action parameter set to **Y**. When you enable logging and submit the QuickPay flow, the application creates files to capture additional payroll processing information. These files are stored on the server.

Subsequently, you can review these files and analyze the data for diagnostic purposes.

For more information on enabling logging, refer the 'Enable Logging in Payroll Flows' topic on the Oracle Help Center.

> **Note:** For an existing user-defined flow that includes the QuickPay task, remove the task and add the task back into flow. This ensures that the QuickPay flow submission page displays the **Process Configuration Group** parameter.

Create a User-Defined QuickPay Flow Pattern

This example demonstrates how to create a user-defined QuickPay flow to process the QuickPay for a person and generate the payslip and check payments.

Use the Payroll Flow Patterns quick action under Payroll from My Client Groups on your Home page, to create a QuickPay to Payslip flow and add these tasks to the flow.

1. Calculate QuickPay
2. Calculate QuickPay Prepayments
3. Verify Payments
4. Archive Periodic Payroll Results
5. Generate Payslips
6. View Payslips
7. Generate Check Payments

Follow these steps to create a user-defined QuickPay flow pattern.

1. Use the **Payroll Flow Patterns** quick action under Payroll from My Client Groups on your Home page.
2. Click **Add** and select **Continue**.
3. Enter these details on the Create Payroll Flow Pattern: Basic Information page.

Fields for creating a QuickPay flow pattern

Field	Value
Flow Pattern	Enter a meaningful flow pattern name.
LDG Required	No
Flow Status	Active
Connector Status	Task Flow
Flow Pattern Type	QuickPay with Parameters

Select QuickPay with Parameters as the Flow Pattern Type because the Generate Check Payments task requires the additional payment sources information which is not part of the QuickPay Submission page.

4. Select **Activities to Include**. Select **Payments and Payroll Calculation**.
5. Select the tasks sequentially, based on the order in which they should be run.
6. Click **Next**.
7. Select each task and define the owner and notifications.

   > **Note:** Select the 'Process After Error' check box for the Generate Check Payments task so that the QuickPay flow is not stalled and it completes to generate the payments and the payslip.

8. Click **Next**. Review the tasks sequence and make changes if required.
9. Click **Next**. Select parameters that apply when submitting the flow. Set these two parameters as the key parameters for the flow:
   - Effective Date
   - Payroll Relationship
10. Click **Next**. Specify the task parameter details. The application references the parameter basis when determining the parameter's default value.
11. Click **Next**. Review the flow and use the **Back** button if you want to make changes to any of the previous sections.
12. Click **Submit** and submit the flow.

After you submit the QuickPay successfully, you can see the employee's Statement of Earnings.

Checklist and Flow Tasks

Checklist and Flow Tasks

When you submit a flow pattern it creates an instance of the flow. For every submitted flow, the application generates a checklist by default.

Use the Checklist page to manage and monitor the the status of a submitted flow and take corrective action to resolve issues.

You can also use the View Flows page, and click on a single task or task flow to go to the Checklist page of the selected flow.

Here's what the checklist might include, depending on the flow pattern.

- Automatic tasks, such as extracts, reports, and processes
- Manual tasks, such as the Verify Payroll Process verification task, required to complete a flow

Here's what you can do with checklists.

- Monitor the status of the flow tasks
- Manage the flow tasks, such as reassigning tasks, marking tasks as completed, and performing corrective actions
- View task details, such as a list of records processed by the flow

While working on a task in the flow, you can remain on the Checklist page or go to a related page that includes tasks in the flow. For example, while reviewing the results for the Calculate Payroll task, you can go to the related pages to review the person's calculation card or element entries.

What You Can Do on the Checklist Page

Perform these tasks to manage and monitor flows from the Checklist page.

- View the flow statistics displayed at the top of the page. It displays the number of overall activities included in the flow. You define the activity information when you create the flow.
- Review the flow analytics to check the number of Connected Flows, Linked Flows, and Related Flows. Click on any of them to further drill down and view the details.
- Drill down to each individual task and view the task status and take an action specific to the individual task.

  The actions available to you when working with a task depends on its status and the status of the tasks that precede or follow it. For example, if a task has completed with alerts, it indicates that the process has completed with one or more records in error status, the process has been rolled back, or marked for retry.

  Click on the task to view the process results and drill down to the records that have errors and need correction. After making the corrections, you can come back to the Checklist page and resubmit the task to process the records that were in error.
- Validate a manual task within the flow and mark as complete, so that downstream tasks within the flow can begin.

  For example, a payroll manager may review and validate the details of the generated payments register and make corrections if any, before enabling the payments processing task to proceed. The payroll manager must manually set the status of the Run Payments Register task to complete, so that other downstream tasks can be initiated.
- Reassign a task to a different owner. Drill down to a task and select the Change Owner task action to change the owner of the task.
- Drill down to the Parameters section to view the flow parameter details.
- Drill down to the Linked Flows section to view flows and tasks linked to the current flow. Click on the flow to view the details of the flow linked to the current flow. Use the Back arrow to return to the current flow page.
- Drill down to the Process Results page to view all messages and errors for a task. Once you have identified the records that have errors, click on the person name to see what the error is, and take corrective action on them. You may have to return to the person's record to correct the errors.

- Drill down to the Process Results page to access output information for a task such as reports and log files.
- Use the Roll Back All option from the Actions menu on the checklist page to roll back multiple tasks within a flow. You don't have to manually select each task to roll back the tasks within the flow.

Submit a Report

Use the **Submit a Report** action to submit a report that's not included in your flow. This feature enables you to perform ad-hoc reporting for the processes in your flow directly from the Checklist page. The Submit a Report action supports the following:

- The parameters of the task from where you added the report is defaulted automatically to the report.
- The report gets added after the task you used to submit the report.
- When you submit the report, the report runs only after the previous task in the flow has completed.
- The results of the report are based on the previous task that we are running this report on.
- In the case of any issues with the process, you can take corrective actions and resubmit the report without rolling back the report.
- You can view the report output directly from the Checklist page and without you navigating to the process results page.

Use the **Resubmit** option and resubmit the report with the same parameters and the report output replaces the previous version of the report output.

If the same report is resubmitted multiple times, you can use the **View History** action to view the submission history.

Roll Back and Payroll Relationship Groups

Use the **Roll Back Errors** option to roll back records that have errors. The application includes the rolled back records in a payroll relationship group. You can select either an existing payroll relationship group or create a new payroll relationship group. The existing group can be a group already created for this flow, or for another flow, or one that’s manually created. You can now use a single payroll relationship group for the whole flow across multiple tasks within the flow.

You can also roll back employees who may not be in an error state. For example, the payroll administrator who runs the regular payroll may be notified of an employee who is terminated during a payroll period. If the employee record isn’t rolled back and removed from the payroll process, the company may end up overpaying the terminated employee. The payroll administrator can roll back this employee and add the record to a new or existing PR group.

After you have rolled back results for a process, navigate to the Payroll Relationship Group page and open the PR Group to view and correct the rolled back records.

Manage Corrective Actions in Payroll Flows

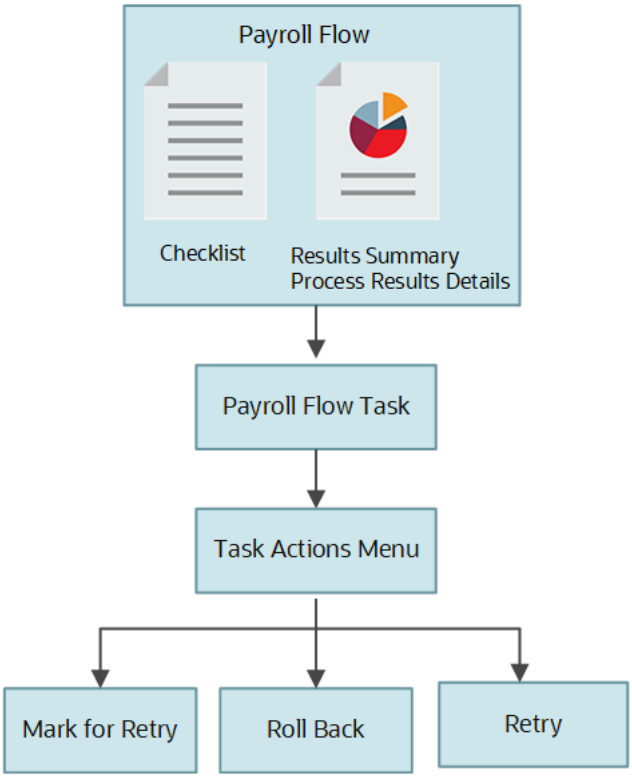
Before initiating corrective actions on payroll runs or payment results, consider whether the flow owners can correct individual records or tasks by using any of these options:

- Task actions
- Predefined stand-alone corrective processes
- Predefined flows, such as the Cancel Payments flow

Use Task Actions

Most tasks support corrective task actions at the task level or individual record level. The type of task and its status determine which corrective actions the flow owner can select from the **Actions** menu when viewing results.

This figure shows the task actions available from the **Actions** menu on the Checklist, the Results Summary, or the Process Results Details pages.



Here's how you can confirm whether the task includes the task actions:

1. Edit your flow pattern on the Payroll Flow Pattern page.
2. Select the task on the Tasks tab, and edit it.
3. Review the Execution Mode column on the Edit Task Details: Basic Information page to confirm that the task supports the Mark for Retry, Retry, and Roll Back task actions.

Use Predefined Stand-Alone Corrective Processes

Flow owners can use the Submit a Flow task to submit these predefined stand-alone corrective processes:

- Roll Back Process
- Retry Payroll Process
- Mark for Retry

The flow owner can use these processes to roll back or retry a flow that includes a single process and that's in progress with errors.

The predefined stand-alone corrective flows don't support task level actions in the Checklist, Results Summary, and Process Results Details pages. For example, if you submit the stand-alone Rollback Process from the Flow Submission

page, and navigate to the Checklist UI, you will not see any task level corrective actions for the stand-alone process in the task level Actions menu.

Hence, it's recommended that you perform corrective actions using the **Actions** menu on the checklist or process result pages. For example, to roll back a process, say the Calculate Payroll task, navigate to the Checklist or Results Summary page, and select the Roll Back action from the Actions menu. This approach ensures the process results pages always display the current status of a process.

In this example, you could have also performed the rollback corrective action by submitting the separate, stand-alone Roll Back Process flow. For example, navigate to the Flow Submission page, select the Roll Back Process flow, and submit the rollback for the Calculate Payroll process. This alternate approach isn't recommended.

The standalone corrective flows are being disabled or phased out so that users can only use the Actions menu at the task level to take a corrective action on a flow task or flow pattern.

Use Flow Patterns

If your enterprise performs several tasks to correct problems, flow owners can use any of these.

- A predefined flow pattern, such as the Cancel Payment flow.

  The Cancel Payment flow pattern includes tasks to view the person process results, void the payment, process an external payment to prevent reissue of the original payment, and reverse the original prepayment and payroll run calculations.
- A flow pattern you create, such as a flow pattern to reissue a lost check.

  This flow pattern might include tasks to void the payment, issue an external payment, and view the person process results.

How Tasks Within Flow Patterns are Edited

You can create or copy a flow pattern and then add, delete, or move tasks in the flow pattern. This topic provides examples of edits you can perform to tasks in a flow pattern.

Perform these edits on the Task Sequence tab of the Payroll Flow Patterns page. For extract flow patterns, use the Refine Extracts task.

Edit Tasks

This table lists a few examples of edits you can perform and the probable impact the edits can have on the flow.

Edits	Impact	Examples
Add a task	You add a task to position it as the last task in the activity or task group. Update the task sequence. If you repeat a task, rename it to make clear its purpose on the checklist.	You add a manual verification task after each report. You rename each task with the report name.

Edits	Impact	Examples
Delete a task	When you delete a task you may impact subsequent tasks in the flow that depend on its results. Review the subsequent tasks.	You delete a task. The Parameter Basis of the next task is Bind to Task and its Basis Value is the value of the deleted task. The you must update the Parameter Basis of the subsequent task as required, for example, to Bind to Flow.
Move a task to a different activity	The activity determines the work areas where you can submit the flow patterns you define, and controls how the checklist displays.	You move a task in a payroll flow pattern for a report from the Payments activity to the Statutory activity.
Reorder the list of tasks displayed in a checklist	The sequence specified for the task further determines the task order within an activity on the checklist.	You decide to flatten the checklist sequence to group all the tasks within a single activity. 1. On the Tasks page, you confirm that each task belongs to the same activity and task group. 2. You edit each task, specifying a value in the Sequence column on the Edit Task Details Owners and Details page. The lowest number is used for the first task in the checklist. For example, you might specify a sequence of 10 for the payroll calculation task and 20 for the prepayments calculation task. On the checklist, the payroll calculation is displayed before the prepayments calculation task .

Flow Security Profiles

Flow Security and Flow Owners

Your HCM data role security determines which flows you can submit or view. This topic explains how the HCM data roles and flow security work together.

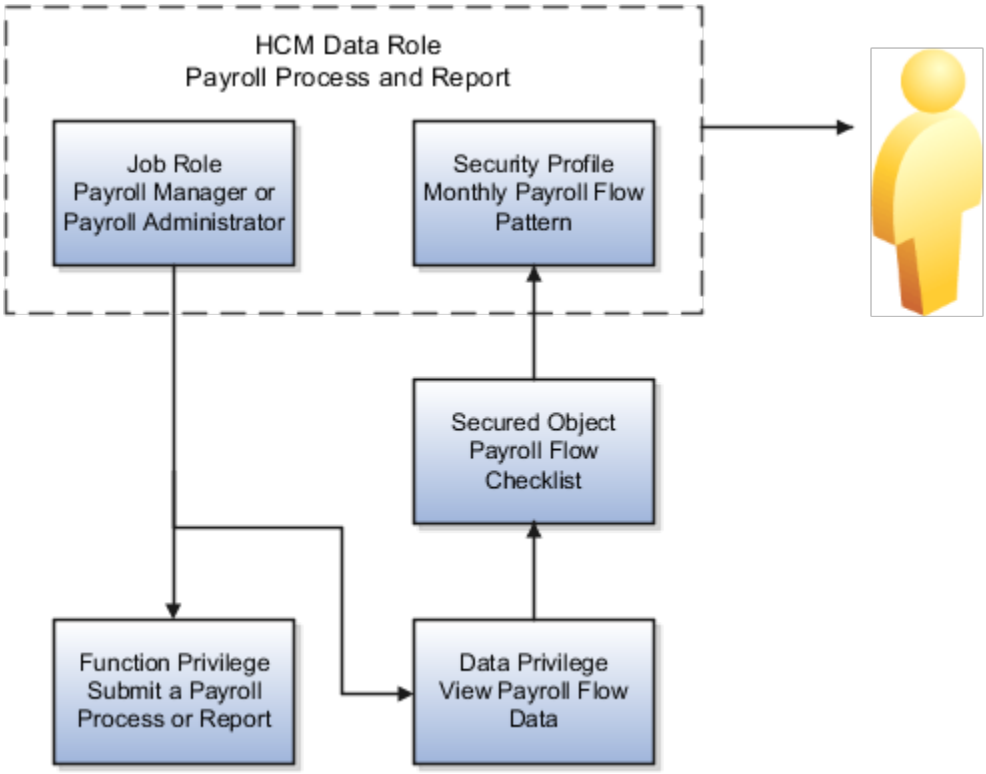
Use the Payroll Flow Security Profile task in the Setup and Maintenance work area to define security for payroll flow patterns.

Payroll Flow Security and HCM Data Roles

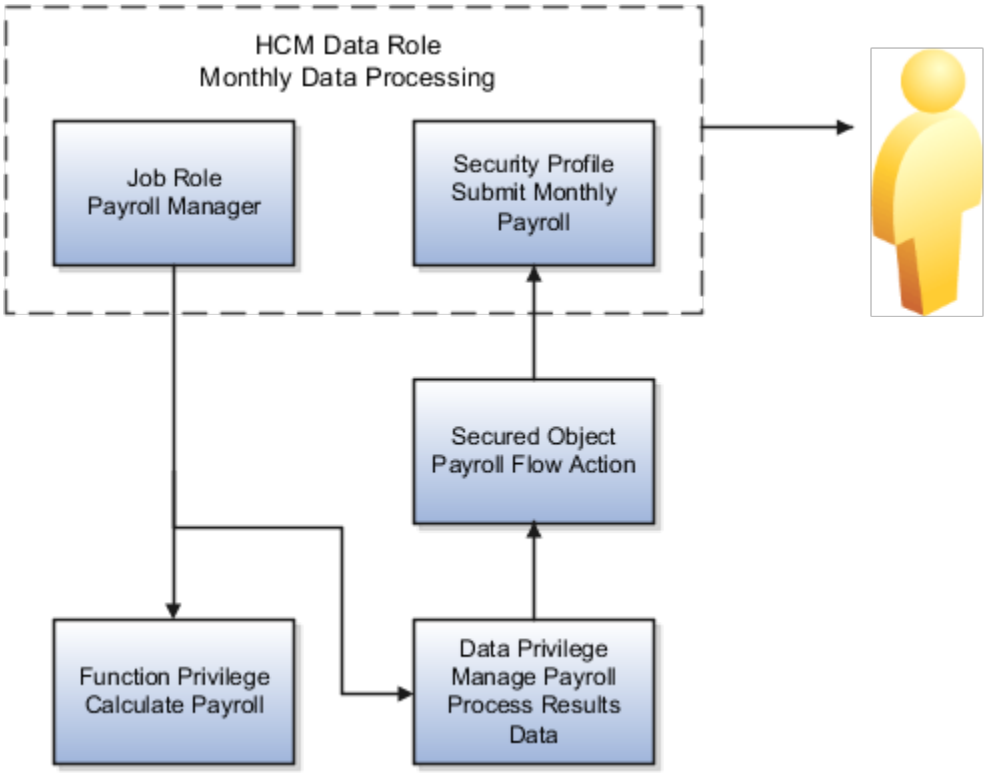
HCM data roles secure the access to flows through data privileges and to the tasks on a checklist through functional privileges.

- When you submit a flow pattern, it generates a checklist of the included tasks.
- You become the owner of the flow and its tasks. If a flow pattern designates tasks to different owners, you remain the flow owner.
- Either you or the owner of a task can reassign the task to someone else. For example, to cover situations where the task is overdue and the task owner is on leave.

This figure illustrates how the payroll manager and payroll administrator can submit a process or report and can view the results of the monthly payroll flow.



The payroll manager or the payroll administrator can submit the flow and perform its tasks or have the tasks reassigned to them. The payroll manager and the payroll administrator can perform the same tasks because both of them have the same functional privileges.They can both submit and view the payroll flow data.This figure illustrates how only the payroll manager can calculate the payroll. The payroll manager can't reassign this task to a payroll administrator, because the administrator doesn't have the necessary functional privileges to submit the monthly payroll flow action.



View Flow Security

When you submit a flow, you're taken to the Checklist page so that you can manage and monitor the tasks included in the flow.

You can also use the View Flows page, and navigate to these pages:

- Click on a flow to go to the Checklist page of the selected flow. The checklist page shows the list of tasks in the flow as well as their completion status.
- Click on a task to drill down to the Process Results Summary, it shows the employees processed within that task.
- Click on the employee's name to drill down to the Person Process Results page.
- Navigate from the Person Process Results page to view the detailed process results for the employee. For example, view the Statement of Earnings, Messages, Balances, and Run Results for the Calculate Payroll task.

This table shows the function privilege that secure access to the View Flow Quick Action.

View Flow Security and Privileges

Page	Aggregate Privileges	Job Roles
View Flow	Access Payroll Flow (PAY_ACCESS_PAYROLL_FLOWS)	Payroll Manager, Payroll Administrator

Access Payroll Flow aggregate privilege includes all the necessary function and data privileges to access the Checklist, Process Results Summary, and Person Results pages.

Including View Flow in Your User-Defined Role

You might have a requirement to provide access to View Flow to other job roles, to allow them to view results of specific processes. To include View Flow in a user-defined role, complete these steps.

1. Create a role by either copying a predefined job role or creating a new one.
2. Add the aggregate privilege: Access Payroll Flow.
3. Depending on the type of flow the role should have access to, you might need to provide additional function privileges such as:
    - Verify Statement of Earnings (PAY_VERIFY_STATEMENT_OF_EARNING)
    - View Employee Level Messages (PAY_VIEW_EMPLOYEE_LEVEL_MESSAGES)
    - View Payroll Balance (PAY_VIEW_PAYROLL_BALANCE)
    - View Payroll Run Results (PAY_VIEW_PAYROLL_RUN_RESULTS)
4. Create a Payroll Flow security profile to include the flows your new role should have access to.
5. Create a data role and associate the Payroll Flow security profile to it.

These aren't included in the Access Payroll Flow privileges:

- QuickPay Results: If you want to use View Flow to access the QuickPay Results, you must grant access to the QuickPay Quick Action.
- Import and Load Data: If you want to use View Flow to view results of HDL uploads, additional privileges are required.
- Ability to take action on the tasks: Actions such as Retry or Rollback aren't available.

> **Note:** If the flow-level messages aren't displayed, ensure that your data role includes this data security profile: Search Person Live Data.

Troubleshooting

If you have problems submitting or completing a task in a flow, these are the actions you can take.

Problem	Solution
Can't submit or view a flow	Confirm that the data role assigned to you includes a security profile for the payroll flow pattern.
Can't perform a task, such as a process or report	Confirm that your data role is based on a job or abstract role that includes functional privileges to perform that task.
Can’t view or take action on a flow task submitted by another user.	Update the flow pattern to add a group to the specific task.

Examples of Flow Pattern Security Profiles

You can use different methods to organize payroll flows into appropriate security profiles. Use the Assign Security Profiles to Role task in the Setup and Maintenance work area to grant workers access to those profiles by data role.

Scenario

Here are a few examples of payroll security profiles and data roles.

Example	Data Role	Security Profile
Payroll Processing and QuickPay Flows	Payroll Administrator	Payroll Cycle flow and the QuickPay flow
End-of -Year Reporting	Payroll Administrator	End-of -Year flow and the Archive End-of-Year Payroll Results flow
Hiring and Terminations	HR Administrator or HR Specialist	New Hire flow and the Termination flow

Add a BI Publisher Report to a Flow

This example demonstrates how you can create a BI Publisher report and run the report using a flow. Add single or multiple BI Publisher reports to your copied or user-defined flow pattern.

When you submit the flow, the report automatically generates an output file that you can view. The output file is based on the template used for the BI Publisher report, Use the Run BI Publisher Report task to include the task in the flow pattern. The Run BI Publisher Report task belongs to the Statutory activities in the flow pattern.

Complete these tasks to create a user-defined report and include it in a flow.

- Create a Data Model
- Create a report template
- Create a user-defined flow to run the new report

Create a Data Model

A data model is the source of data for the report and it contains a set of instructions for the BI Publisher to retrieve and structure data for a report. In this example, you create a data model that has a single data set that retrieves data from a single data source, the database tables in the HCM application.

You use an SQL query to reference the application database tables and retrieve the list of values for the report parameters. When you run the report, the report engine executes the query and uses the results to display and populate the parameter list of values.

You must have BI Publisher Developer or BI Publisher Administrator role to create or edit reports from the BI Publisher.

Follow these steps to create the data model.

1. Navigate to **Reports and Analytics** under **Tools** in **My Client Groups** on the Home page.
2. Click **Browse Catalog** to open BI analytics in a new tab.
3. Navigate to **/Shared Folders/Custom** folder.
4. Click **New** and select **Data Model** under Published Reporting.
5. Click **Add** under Diagram and select SQL Query.
6. Enter this information in the **New Data Set - SQL Query** window.

Field	Value
Name	Enter a name for the new data model.
Data Source	**ApplicationDB_HCM**
Type of SQL	Standard SQL

7. Enter this SQL Query in the Query Builder box.

```
Select pfi. Instance_Name, pfi.Fl_Task_Status, pfi.Status as Task_Status, pci.Status as
Checklist_Status, pci.Owner_ID
from pay_flow_instances pfi, Pay_Flow_Instances pci
where pfi.flow_instance_id = pci.flow_instance_id
and pfi.instance_name = instanceName
and pfi.status = flowStatus
and pci.status = checklistStatus
```

8. Click **OK**.
9. Click **Parameters** under Properties in the left pane.
10. Enter these values for each of the three parameters defined for this model, Flow Instance Name, Flow Status, and Checklist Status.

Field	Value
Name	Enter a name for the parameter.
Data Type	Select **String** from the list.
Default Value	This isn't a mandatory field.
Parameter Type	Select a value from the list. Select text for all three parameters in this example.
Row Placement	Enter a value to show in which row to place each parameter. By default, all parameters are placed in row one.

11. Click the **Save As** icon, enter a Name for the Data Model, and save the Data Model under the path **Shared Folders/Custom/**.
12. To test the Data Model, select the **Data** tab.
13. Click **View** to view the XML. Provide a value for the three parameters.
14. Click **Table View** to view the sample data in a tabular form.
15. Click **Validate**.
16. Click **Export** and save the XML file locally on your computer.
17. Click **View Engine Log** and view the Data Processor log file in XML form. You can save the file to your local directory.

Create the RTF Report Template

You can either use MS Word which already has the BI Publisher plug-in integrated to create an RTF template or use BI publisher's quick Create Report option from the Data Model editor page. In this example, we will use the Create Report option.

Follow these steps to create an RTF report template.

1. Click **Create Report**.
2. Under the Select Data tab, click **Use Data Model** option to create the report using the data model you have already created in the previous task.
3. Click **Next** and under the Select Layout tab, select the report layout to define the page orientation of the report. The available options are either Portrait or Landscape.
4. Click **Next** and under the Create Table tab drag fields from the Data Source and drop them in columns on the table in an appropriate sequence.

   The Create Report process uses the sample data that is saved to the data model. If sample data is not attached to the data model, the selected column headings display without data.
5. Click **Next** and save the report in the **Shared Folders/Custom** folder.
6. Navigate to **/SharedFolders/Custom** and open the report, provide appropriate values for the Instance Name, Flow Status and Checklist Status as an input parameter and click **Apply**.
7. To add additional roles, for example, BI Consumer Role, click **More** and then **Permissions,** and select the appropriate Permissions against a role.
8. Click **OK**.

Create a User-Defined Flow to Run the BI Publisher Report

Follow these steps to add the BI Publisher report to a user-defined flow.

1. Use the **Flow Patterns** task under **Payroll** in **My Client Groups**.
2. Click **Create** and enter this information.

Field	Value
Flow Pattern	Enter a name for the flow pattern.
Description	Entering a description for the flow is optional.
LDG Required	Select an LDG to restrict this flow for a specific legislative data group.
Flow Status	Select **Active**.
Connector Status	Task Flow

3. Select **Statutory** in the **Activities to Include** field.
4. In the Tasks section, select **Run BI Publisher Report**.
5. Click **Next**.
6. On the Parameters page, click **Select and Add**, and add the three parameters.

The flow parameters map to the BI Publisher arguments. For example, if your report is based on a SQL query, the first argument is the first bind variable of a SQL query data model.

> **Tip:** To easily determine the sequence of arguments, view the list of parameters for the generated report in BI Publisher.

For example the First Argument is the Instance Name, the Second Argument is the Flow Status and so on.

7. Optionally, rename the parameter to a more meaningful name.
8. On the Task parameters page, in the Parameter Details section, complete these steps:
    a. Confirm that the Parameter Basis for the First Argument value is Bind to Flow.
    b. Select the **Report Path** parameter and enter the parameter Basis as **Constant** and Basis Value as the report path. Enter the path of the XDO.

       For example, if the BI Publisher data model is saved to the Custom folder in Shared Folders you would specify `/Custom/yourBIreport.xdo`.
9. Verify that the first, second and third argument parameters are bound to the flow parameter correctly.
10. Click **Next**, review the flow and save it.
11. Use **Submit a Flow** task from Payroll in My Client Groups on the Home page and submit the flow.
12. Submit the flow and view Checklist. Keep refreshing until flow is completed. Once completed, click on the **Run BI Publisher Report** link and view the report output.

Create a Flow within a Flow

In this example you copy the Transfer Batch flow and modify it to include a predefined report flow pattern you created earlier. The predefined flow you add submits a report to check for any batch line errors during the Transfer Batch process.

If the transfer fails, you can skip the transfer process or mark it as complete, and then view the report for error details.

Create the Parent Flow Pattern

1. In the Payroll Checklist work area, select the **Manage Payroll Flow Patterns** task.
2. Search for and select the row for **Transfer Batch**, and then click **Copy**.
3. Enter the name of the new flow pattern, such as **Transfer Batch with Error Report**.
4. Enter a description, such as "Transfer a batch and view any batch line errors that occurred." and then click **Save and Close**.
5. Search for and select the **Transfer Batch with Error Report** flow pattern, and then click **Edit**.
6. Here's the list of tasks to add the parameter that derives batch name from the batch ID.
    a. On the Parameters tab, click **Add**.
    b. Select the added row and click **Edit**.
    c. Add these values.

Field	Value
Flow Parameter	Batch Name

Field	Value
Use for Searches	No
Display	No
Display Format	Text
Sequence	3
Usage	Input parameter
Parameter Basis	Post SQL Bind
Basis Value	`select batch_name from pay_batch_headers where batch_id = :BATCH`

7. Click **Save**.

Add the Report to the Parent Flow

1. On the Tasks tab, click **Select and Add**.
2. In the Search window, search for and select **Submit Another Flow**, and then click **Done**.
3. In the row for Submit Another Flow, click **Edit** on the menu bar and set these values to define the task you have added to generate the batch lines error report.

Field	Value
Task	Run Batch Lines Report
Activity	Statutory
Task Group	Reporting
Description	Submit the batch lines error report for the specified batch.

4. Edit task parameters as follows:
    a. In the row for Run Batch Lines Report, click **Edit Task**.
    b. Configure these predefined task parameters. Select a parameter and the corresponding parameter basis and basis value.

Parameter	Parameter Basis	Basis Value
Flow Name	Constant Bind	The name of the flow, for example Batch Lines Report. This value is case-sensitive. Enter the name exactly.
From Flow Instance ID	Context Binding	Payroll flow
From Flow Task Instance ID	Context Binding	Payroll task
Use to Calculate Results	Constant Bind	Y
Parameter Name 1	Constant Bind	Batch Name
Parameter Value 1	Bind To Flow	Batch Name

c. Click **Next**, and optionally complete the owner and checklist information.
d. Click **Next**, and optionally complete the duration and notification information.
e. Click **Submit**.

5. Perform these steps to edit the task sequence:

a. On the Task Sequence tab, edit these two rows to enter the flow tasks and sequence in the flow.

Start Flow	Following Task
Transfer Batch	Run Batch Lines Report
Run Batch Lines Report	End Flow

b. Click **Submit**.

Test the Flow

1. Create and save a test batch that should cause an error.

   Alternatively, you can search for an existing batch that was transferred with errors using this SQL query:
   ```
   select * from pay_batch_headers where batch_status = 'E';
   ```

2. On the Submit a Process or Report page, select a legislative data group.
3. Select the **Transfer Batch with Error Report** task, and then click **Next**.
4. Enter a unique name for the current flow instance.
5. Enter the name of the batch with errors that you saved or queried, and then click **Submit**.

6. Click **OK and View Checklist**, and then click the **Refresh** icon until the Transfer Batch task shows as in progress with error.
7. View the report in the flow as follows:
    a. Select the row with the Transfer Batch task, and then select **Skip Task** in the Actions menu.
    b. In the row for Run Batch Lines Report, click **Go to Task**.
    c. In the Processes and Results section, click the name of the report.
    d. In the row for Run BI Publisher Report, click **Go to Task**.
    e. On the Process and Reports tab, click **View Results**.
    f. Click the PDF file name to open the report.

Related Topics

- Create a Flow within a Flow

Account Number Masking in Payroll Reports

Account Number Masking in Payroll Reports

You can mask bank account information to prevent display of sensitive information on the following payroll reports.

- Payslips
- Payment Register
- Third-Party Payment Register

Masking enables display of 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, you may decide to display only the last four characters of the account number. In such cases, an account number ABC123456 displays as XXXXX3456 in reports that support masked account numbers.

Use the new **Extract Unmasked Bank Information** process configuration parameter to display either the masked or full bank account numbers in the reports. By default or when set to *No*, the bank account information on the reports is masked. Set it to *Yes* to see the unmasked bank account information. 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*.

This table shows how the bank account number ABC123456 is stored in the application tables depending on how you configure masking.

Actual Account Number	Masking Enabled	Masked Number
ABC123456	No	ABC123456
ABC123456	Yes	XXXXX3456

Note: The above table assumes that the masking setup displays only the last four characters of the bank account number.

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.

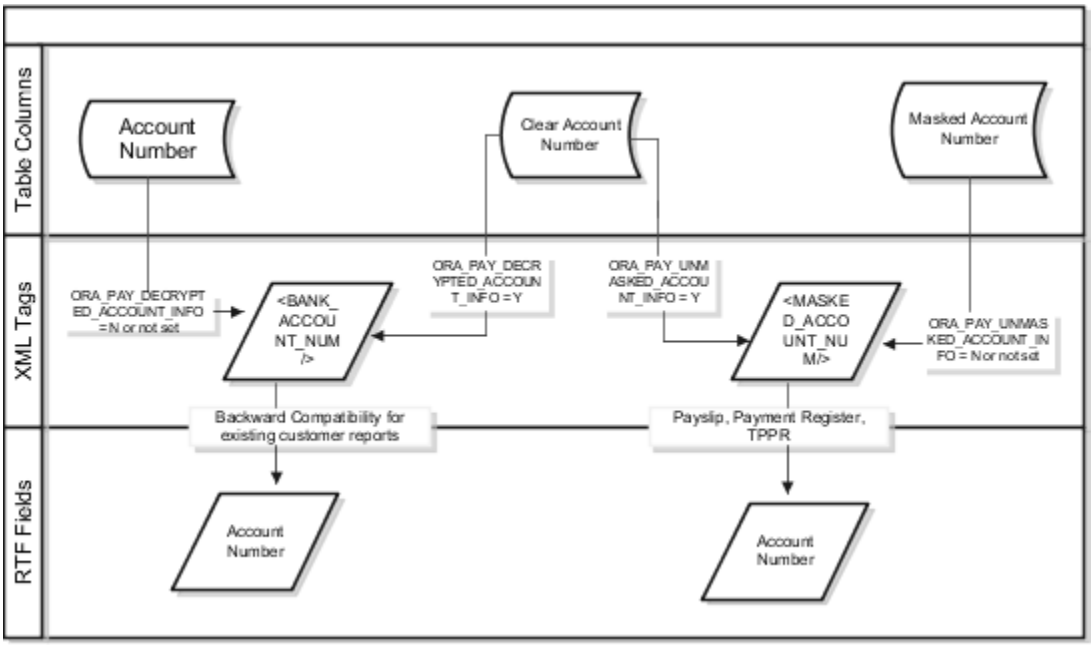
When you turn on encryption, the unsecured account number and IBAN columns only shows the visible characters as defined by masking. This means that to turn on encryption, you must turn on masking. However, you can turn on masking without turning on encryption.

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

Multiple Instances of a Flow

Multiple Instances of a Flow

Use the 'Submit Another Task' task to automatically repeat a task multiple times with a single submission of the flow.

You can define rules to control the task iteration. For example, define a rule to automatically submit a report task for each TRU within your organization.

The rule-based nature of the 'Submit Another Task' task enables you to support submission rules based on fluid parameter details. For example, before calculating your regular payroll run, you can automatically roll back all QuickPay runs you have created for payroll validation purpose. In this instance, the rollback task is automatically resubmitted for all the QuickPay runs in the payroll period.

> **Note:** You can't iterate a manual task. For example, you can't use the Submit Another Task option to iterate a QuickPay task and submit multiple QuickPay runs.

If you need to correct a task, such as rerun a report task, this action will be applied to all task iterations submitted using the 'Submit Another Task' task.

After you initiate and submit the 'Submit Another Task' task, the task iterator dynamically identifies the multiple transaction IDs of the task already processed and automates the task iteration for each subsequent transaction ID. The number of iterations you specify, determines the number of times the task repeats itself.

> **Note:** There are no predefined flows that you can use directly for task iterations. To iterate a task, you must create a flow and include the 'Submit Another Task' task in the flow.

> **Note:** Consider using a standard flow pattern when your task submission rules are based on a static parameter such as TRU and you have a requirement to manage each task individually.

Consider these points before you create a flow and include Submit Another Task, to initiate task iterations.

Task Name

Submit Another Task takes the task name as the input parameter and uses the repeat formula to execute multiple iterations of a task.

Task Repeat Formula

The Task Repeat Formula is a prerequisite for the flow and it decides the repetition logic and drives the iteration. When you create the repeat formula, use the 'Task Repeat' formula type. The input parameters are predefined for an input task. You can add them as flow parameters during flow creation. The formula return values are used to validate the task parameters.

Parameters

Task parameters submit the information required for the task submissions to complete successfully. The flow has these two sets of parameters:

- Parameters for Submit Another Task
- Parameters for the repeat submission task that's submitted multiple times

Use any of these options as input values for the repeat submission task:

- Task parameters from the flow parameters defined while creating the flow
- Return parameters from the repeat formula

Use any of these options as flow parameter values:

- If the task parameter name, exposed in the UI at the flow-level, matches the Base Flow Parameter Name, then the values are used directly.
- If the task parameter names don't match the Base Flow Parameter Name, the application uses a fast formula function to pass the flow parameter values as the task parameters. This formula function is built into the repeat formula.

  For example, assume that you have defined the flow parameter as 'Effective Date', and the corresponding Base Flow Parameter Name is 'EFFECTIVE DATE'. The application uses formula function `GET_FLOW_PARAM_VALUE ()` and stores the return value of this formula function in the task parameter 'EFFECTIVE DATE'. The formula function is:

  - `*EFFECTIVE DATE=GET_FLOW_PARAM_VALUE` ('Effective Date')

Provide the correct parameter basis when you define the task parameters. Some of the static parameters like the Effective Date or the Start Date can have a parameter basis value of 'Bind to Flow'. The dynamic parameters like the Payroll Statutory Unit ID are derived from the database tables. Hence you can have a parameter basis value of 'Bind to Flow Task' or 'Context Binding'. If you have defined specific names for the flow task parameters, you must ensure that the same names are used in the repeat formula.

Alternately, use the return parameters from the repeat formula as the task parameters. In this case the input parameters for the repeat formula are only the Base Task Name and the Repeat Counter. While calling the formula, the application uses these two parameters to get the context of the job submission. You create the Repeat formula to return input values for the submission task.

The formula output Repeat Flow decides if another job submission has to be done.

These parameters can be static or dynamic parameters. For example, for the Archive End-of-Year Payroll Results process the following parameters are defined as static parameters:

- Effective Date
- Start Date
- Tax Year Date
- Repeat Counter

  The Repeat Counter is a static variable and is maintained by the application. During the iteration process this parameter increments by '1' after every submission.

In this example, these are the dynamic parameters for each submission:

- Payroll Statutory Unit ID
- Repeat Flow

However, you can also define the Tax Year as a dynamic parameter, so that you can generate the report for various years.

Maximum Repeat Counter

Specify a threshold limit for the maximum number of instances that can be executed for a single submission of the task. If the iteration runs into an error, this parameter prevents the process from getting into an infinite loop. A repeat counter N indicates one parent and N-1 child submissions.

Repeat Flow Parameter

The repeat flow parameter indicates when the task iteration should stop. A repeat flow instance is submitted only if the repeat flow parameter is set to 'Y'.

Execute in Parallel

Execute the submissions in parallel or serial. For parallel submissions, the number of threads is taken into consideration. A number of submissions equivalent to the number of threads is submitted in parallel. For serial submissions, number of submissions equivalent to the Repeat Counter is executed one after the other.

If you have set the Execute in Parallel parameter to 'Yes', you must specify a value for the Maximum Parallel Threads. This parameter is taken into consideration for a parallel submission.

For example, if you specify a value of X, during a submission, the application processes X instances of the task initially. The parent task waits for X child submissions to complete, evaluates the fast formula and executes another set of X child submissions to complete. This cycle continues till the Maximum Repeat Counter submissions are completed or the Repeat Flow value is 'N'.

Note: It is recommended to execute the flow with parallel threads, especially for large volumes of data.

Parent Log File

After completion of the flow, use the Task Iterations page from the Process Results Summary and view the ESS Log file to view the details of the input parameters for each job submission. The Output and Log Files section displays one set of

flow instance details and parameter values for the parent submission and similar set of values for each subsequent child submission.

1. Click on the Process ID on the first row to view the log output details of the flow.
2. Click on the Process ID on the second row or any other row below to view the log output of a task iteration or child submission.

Generate Archive End-of-Year Payroll Results Process for Multiple PSUs

In this example you create a flow pattern and use the Submit Another Task task to automatically generate the Archive End-of-Year (EOY) report for multiple payroll statutory units (PSUs) within your organization.

The task iteration process uses the task repeat formula to dynamically identify the PSU IDs and generate the report for the multiple PSUs with a single submission of the flow. The Archive EOY Payroll Results task retrieves employee and employer information and employee balances in a given year for year-end reporting.

Before You Start

Review and validate the year-end data and complete balance adjustments and balance feeds for year-end reporting.

Here are the key decisions for this example.

- The static flow parameters used in this example include Effective Date, Start Date, Tax Year Date, Repeat Counter.
- The dynamic flow parameters used in this example include Payroll Statutory Unit ID and the Repeat Flow.

The input parameters for the repeat submissions are obtained from the values returned by the task repeat formula. Perform these tasks to use Submit Another Task and generate the Archive End-of-Year (EOY) report for multiple PSUs.

1. Create a task repeat formula
2. Create a flow pattern
3. Submit the flow
4. View the results and log file

How to Create a Task Repeat Formula

Use the text editor to create a fast formula and return the values required to run the Archive EOY Results for a PSU. This formula isn't specific to any legislative data group (LDG) and the formula type you use for this formula is Task Repeat.

Complete these steps to create a task repeat formula.

1. Use the Fast Formulas task.
2. On the Fast Formulas page, click **Create** to create a formula.
3. On the Create Fast Formula, complete these fields.

Field	Value
Formula Name	Sample Formula

Field	Value
Formula Type	Task Repeat
Description	Archive EOY Results for each PSU
Effective Start Date	Enter a date, for example, January 01, 2011

4. Click **Continue**.
5. Enter this formula text details in the Formula Text Section.

```
FORMULA NAME: Sample Formula
FORMULA TYPE: Task Repeat
DESCRIPTION: Formula to iterate the EOY Archiver
Formula Results: Iterates the EOY and generates the report
/* Inputs */
INPUTS ARE REPEAT_COUNTER, BASE_TASK_NAME (text)
REPEATFLAG = 'N'
START_DATE = '2011-01-01'
EFFECTIVE_DATE = '2012-01-01'
TAX_YEAR_DATE = '2011-01-01'

/* FORMULA BODY */
IF REPEAT_COUNTER= 1
THEN(PAYROLL_STATUTORY_UNIT = 300100001794785
 REPEATFLAG = 'Y')
IF REPEAT_COUNTER= 2
THEN(PAYROLL_STATUTORY_UNIT = 300100002950763
 REPEATFLAG = 'Y')
IF REPEAT_COUNTER= 3
THEN(PAYROLL_STATUTORY_UNIT = 300100013071724
 REPEATFLAG = 'Y')
IF REPEAT_COUNTER= 4
THEN(PAYROLL_STATUTORY_UNIT = 300100007796226
 REPEATFLAG = 'N')

/*Results*/
RETURN START_DATE, EFFECTIVE_DATE, TAX_YEAR_DATE, PAYROLL_STATUTORY_UNIT, REPEAT_COUNTER, REPEATFLAG
/* End Formula Text */
```

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

How to Create a Flow Pattern

Complete these steps to create a flow pattern.

1. Select the Payroll Flow Patterns task and click **Create** to create a flow pattern. You can also search for and select an existing flow pattern to copy.
2. Leave the Legislative Data Group field blank and click **Continue**.
3. On the Basic Information page, complete these basic flow information fields.

Field	Value
Flow Pattern Name	EOY Results Flow

Field	Value
Description	Enter a description for the flow.
LDG Required	No
Activities to Include	Select two options, Statutory and Calculate.

4. Select **Submit Another Task** to include it in the flow pattern.
5. On the Task Sequence page, reorder, add, or delete tasks as required.
6. Specify the order in which the tasks display in the checklist. You can specify a value for the sequence on the Edit Task Details Owners and Checklist page.
7. On the Parameters page, select **Create**.
8. On the Select and Add: Parameters page, add these parameters to complete the flow pattern.

Name	Description	Task	Display
Task Name	Name of the task	Submit Another Task	Required
Task Repeat Formula	Name of the formula	Submit Another Task	Required
Maximum Repeat Counter	Maximum number of submissions	Submit Another Task	Required
Execute in Parallel	Decides if the submissions are in parallel or sequential	Submit Another Task	Yes
Maximum Parallel Threads	Maximum number of submissions executed in parallel	Submit Another Task	Yes

The flow parameters are used to submit and complete the tasks in the flow pattern, or as a basis for deriving values to submit the remaining tasks in the flow pattern.

9. After you have completed the requisite parameters, click **OK**.
10. On the Task Parameters page, review the parameters, and if necessary update the parameters.
11. Review the resulting checklist for the flow pattern before submitting the flow pattern.
12. Click **Submit**.

How to Submit the Flow

Complete these steps to submit the newly created flow pattern.

1. Select the **Submit a Flow** task from Quick Actions or under **Payroll** in **My Client Groups**.

2. Search for EOY Results Flow and click **Next**.
3. Enter these parameters.

Field	Value
Payroll Flow	Enter a payroll flow name.
Task Name	Archive End-of-Year Payroll Results
Task Repeat Formula	Archive EOY Results Repeat Formula
Maximum Repeat Counter	Maximum number of iterations by the flow. In this example, it's the number of PSUs. **Note:** A repeat counter N indicates one parent and N-1 child submissions to iterate the task.
Execute in Parallel	Decides if the submissions are in parallel or sequential. Select **Yes**, if you want to run the flow instances in parallel. **Note:** For large volumes of data, it's recommended to run the threads in parallel.
Maximum Parallel Threads	Enter the number of threads executed in parallel.

Note: The Maximum Repeat Counter is maximum number of iterations that can be executed for a single submission of the task. It's the number of PSUs in the organization that you want to run the EOY Archiver. If the iteration runs into an error, this parameter prevents the process from getting into an infinite loop.

4. Click **Next**. Check the flow interaction.
5. Click **Next** and select the schedule. You can select 'As Soon As Possible' to execute the task immediately.
6. Click **Review** to review the parameters.
7. Click **Submit**.
8. Click **Done**.

How to View and Monitor the Task Iterations

When you submit a flow, you're taken to the Checklist page so that you can manage and monitor the tasks and other parameters within the flow.

1. On the Checklist page, search for and click on the Submit Another Task flow you just submitted. You're taken to the Task Iterations page.
2. To view further information for a specific task iteration, click on the task iteration name.
3. Click **Refresh** to refresh the page and view the latest number of task iterations.

4. Click **Actions > Roll Back** to roll back all the task iterations.

How to View the Results and Log File

To access the archive results after the process is submitted:

1. Navigate to the **Process Results Summary** page from **Payroll** in **My Client Groups** and search for the submitted Submit Another Task flow. Click on the flow name to open the Task Iterations page..
2. Use the filter options to view the flow you have just submitted.
3. To view further information for a specific task, click on the task iteration name and view the process results details of the task iterations. Highlight a process row to view the results of a specific process.
4. Use the Person Process Results section to view the person process results..
5. Click the **Output and Log Files** section to view the output of the process.

FAQs for Payroll Flow Patterns

Can I edit a predefined flow pattern?

You can edit predefined flow patterns and make minimal changes. For example, you may want to change the name of a parameter in the context of an LDG, or change how a flow task parameter is derived.

You can edit and make major changes only to payroll flow patterns that you copy or create. For example, you might copy a predefined flow pattern and configure it to your requirements, such as adding a report extract you defined, or displaying additional flow parameters. You can create a new flow pattern that includes only the tasks you perform during a specific phase of the payroll cycle, such as the end of an accounting period or at the end of a quarter.

Can I skip the flow parameters for a single-task payroll flow pattern?

No, you must specify flow parameters required to successfully complete the task. Typically, these parameters include the mandatory task action parameters. You can also specify optional parameters that serve to restrict the results of the flow.

How can I rearrange tasks in a flow pattern?

Every flow pattern begins with a Start Flow task, which doesn't belong to an Activity or Task Group, and concludes with an End Flow task. Edit the task sequence by selecting a different task in the Following Task column.

When you create a flow, use the Task Sequence page to rearrange the tasks. When you edit a flow, select the task and edit its sequence on the Create Flow Pattern: Basic Information page. When you submit a flow, processes in the flow use and build upon the results of the previous processes. To maintain data integrity, ensure the sequenced tasks follow a consecutive order.

How can I run tasks concurrently in a flow?

Use the Manage Payroll Flow Patterns task in the Payroll Checklist. Search for and open your flow pattern. Click the Task Sequence tab. Specify that each concurrent task follows the same previous task.

For example, you create a flow pattern with a payroll calculation task and two reports. The flow ends when both reports complete. You can use these actions to run the payroll calculation task and the two reports run concurrently.

1. For the first row, specify the Start Flow task with the Calculate Payroll as the following task.
2. For the second row, specify Calculate Payroll as the task, and the first report as the following task.
3. For the third row, specify Calculate Payroll as the task, and the second report as the following task.
4. For the fourth row, specify the first report as the task and End Flow as the following task.
5. For the last row, specify the second report as the task and End Flow as the following task.

What happens if I don't enter a task owner in a flow pattern?

The person who submits the flow becomes the flow owner and the task owner. The person's security privileges determine whether the person can submit the flow.

Can I automate a QuickPay flow using a service?

No, because QuickPay tasks require user input. The Flow Actions service is only for flows that don't require user action.

16 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.

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
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)

Parameter Value	Meaning
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.

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	Required?	Comments
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

Expedited Processing

Overview

Streamline the payroll processing of time card employees through expedited payroll runs. You can make immediate payments for absences, late time cards, or time card errors that an employee submits late on a time card.

You can process expedited runs only for absence and time entries that are retroactively modified on a time card and marked for expedited processing. Time card of employees that aren't marked for expedited processing are paid in the next scheduled regular payroll cycle.

When you define time and absence category elements, the application creates these value definitions for expedited processing.

- **Expedite**: Determines if this time card or absence entry corresponding to prior pay period adjustment needs to be included for expedited processing.
- **Override Payment Method**: Overrides the payment method on the Prepayments and QuickPay Prepayments process to Check. You can select this value only for time cards that you have marked for expedited processing.
- **Override Check Printer**: Tracks the check printer for the expedited time cards that are paid through check. The application ignores the Override Check Printer value if the employee isn't paid by check.

Related Topics

- How Expedited Processing Works
- Expedited Payroll Flow

Expedited Processing Rules

Expedited processing includes prior period adjustments to time, absence, and mandatory elements like taxes and percentage-based deductions. By default, the expedited run includes all the element entries for those employees who have an expedited time card.

Use Expedited Processing Rules option to exclude certain elements such as salary or flat amount based deductions from expedited payroll run. To review and create new payroll elements, use the **Elements** task in **My Client Groups**.

Expedited Processing Rule Option	Use To
Based on the element entry value	Initiate expedited processing depending on other parameters on the time card. This option applies only to time card and absence elements having the three input values and value definitions for expedited processing and is set automatically during element creation. The application processes elements with this rule based on the element entry value for 'Expedite'.
Do not include in expedited payroll runs	Exclude elements like salary and flat amount-based deductions that are processed only once per pay period from expedited payroll runs. Set this option to include these elements only in the nonexpedited payroll run.
Include in both expedited and nonexpedited payroll runs	Include elements like taxes and percentage-based deductions in the expedited payroll runs. If you leave the Expedite Processing Rule blank, this option acts as the default behavior.

Related Topics

- How Expedited Processing Works
- Expedited Payroll Flow

Add Override Check Printer in XML File

Use the Override Check Printer attribute to track the check/cheque printer for the expedited time cards that are paid through check/cheque. The application ignores the Override Check Printer value if the employee isn't paid by check/cheque.

You can add the Override Check Printer in the XML file that the Generate Check Payments process generates.The bursting file references this Override Check Printer setting for printing the checks/cheques.

Before You Begin

Configure the list of printers in the HCM Common Lookup `ORA_EXPEDITE_CHECK_PRINTER` to find the list of values for Override Check Printer.

Add Override Check Printer

Perform these steps to add the override check printer attribute in the XML file.

1. In the **Setup and Maintenance** work area, go to the **Extensible Flexfields for Payroll** task.
2. On the Extensible Flexfields for Payroll page, click **Deploy Flexfield**.
3. In the Confirmation dialog box, click **OK**.
4. Click **Done**.
5. In the **Setup and Maintenance** work area, go to the **Manage Enterprise HCM Information** task in the **Workforce Structures** functional area.
6. On the Enterprise page, click **Edit** and select **Correct**.
7. In the Global Payroll Element Information to Archive section, click **Add**.
8. For each element entered on the time card, enter these values and click **Submit**.

Field	Value
Legislative Data Group	Appropriate LDG
Element	Any retro result element
Input Value 1	Override Check Printer

Related Topics

- How Expedited Processing Works
- Expedited Payroll Flow

17 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

Validation Report for Payroll for the US

The Validation Report for Payroll checks for the following.

- Employee assignments that aren't associated with tax cards
- Employees that don't have valid work locations
- Employees with tax cards that aren't associated with tax reporting units
- Locations that don't have valid geocodes or no geocode at all
- Persons with missing national identifiers (Social Security or Individual Taxpayer ID numbers)
- Persons with missing or incomplete home or work addresses
- Pennsylvania employees missing either a home or work political subdivision (PSD) code
- Pennsylvania employees with missing home school districts
- Pennsylvania employees without Residency Certificates
- Persons missing a date-of-birth

This report is part of the US Simplified Payroll Cycle Flow. The flow pauses so you can correct these issues before running the next process. However, you can also run this report manually:

- After acquisitions
- After any mass update of people or payroll records, such as HCM Data Loader uploads

To run this process:

1. From **My Client Groups**, click **Payroll**.
2. Click **Submit a Flow**.
3. Select your US legislative data group.
4. Search for and select **Validation Report for Payroll for the US**.

Parameters

Payroll

Select the payroll for which the report is to be run.

Effective Date

Specify the first effective date of the payroll process you want to include in the report. The report uses this date to verify the data status.

Process Configuration Group

Use this to define system parameters such as number of threads, logging, and so on.

> **Note:** Use the Payroll Process Configuration task to define a process configuration group before you can use it here.

Report Results

The report provides details of missing or noncompliant statutory data for the selected payroll statutory unit as of the selected effective as-of date. The details are at the worker or organization level.

You can view the PDF output of the report or the Excel output, as required.