Oracle Fusion Cloud Human Resources

How do I configure iterative processing for pretax deductions?

FA Latest

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax deductions?

FA Latest

G36509-02

Author: JOLAWSON

Contents

ORACLE

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Get Help

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 ⑦ 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.

Share Your Feedback

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

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

Thanks for helping us improve our user assistance!

ORACLE

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Get Help

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 1
How Do I Configure Iterative Processing for Pretax
Deductions

1 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.

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 1
How Do I Configure Iterative Processing for Pretax
Deductions

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax deductions?

Chapter 2
How Do I Exclude Additional Tax Amounts from Iterative Processing

2 How Do I Exclude Additional Tax Amounts from Iterative Processing

By default, if an employee elects an additional withholding amount on their tax card, the payroll process considers them as part of the required taxes during iterative processing.

To exclude them from processing, set the **Exclude Additional Tax Amount from Iteration** calculation value definition to **Yes**. This instructs the payroll process to skip the additional withholding amounts during iterative processing.

ORACLE

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 2
How Do I Exclude Additional Tax Amounts from Iterative
Processing

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 3
Input Values for Iterative Processing

3 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.

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 3
Input Values for Iterative Processing

ORACLE

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 4
Iterative Processing Priority by Classification

4 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

ORACLE

Oracle Fusion Cloud Human Resources
How do I configure iterative processing for pretax
deductions?

Chapter 4
Iterative Processing Priority by Classification