

Oracle Fusion Cloud Human Resources

**How do I set up HR and Payroll
Interface for Oman?**

FA Latest



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G30238-05

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Author: nikfranc

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1 Set Up Enterprise Structures

About this Playbook

Use this playbook to understand the setup and configuration tasks required for Oracle Fusion Cloud Human Resources for Oman.

This playbook covers the task lists and tasks for these areas:

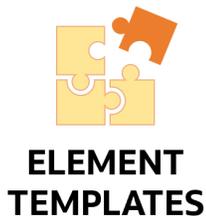
- Organizational structures that you need to define to manage HR processes.
- Oman-specific data that needs to be provided.
- How predefined Oman-specific data can be integrated with customer-specific data.
- Data definition required to hire and maintain Omani employees.
- HR processes that you can run for Oman.
- The information required to support interfacing or transferring data to a third-party payroll system.
- The migration process from a legacy system, by identifying the Oman-specific fields that need to be populated.

License Details

The features of the element templates depend on the type of license you have. There are three licenses that you can use to access the element templates:

- HR-Only
- Payroll Interface

- Payroll



An intuitive user interface to create different types of elements their associated objects and other license based objects feature

HR-Only

Basic version of element templates

Payroll Interface

Full earnings element templates

Payroll

Full earning and deduction templates

Create payroll elements only after you set your license to payroll.

Create Legal Jurisdictions

Set up the jurisdiction for Social Insurance (as Legislative Category) and register it with the Social Insurance Number (Legal Entity Registration Code).

To create a jurisdiction:

1. Select **Manage Legal Jurisdictions** in the implementation project list.
2. Create the Oman Social Insurance Jurisdiction.
3. Enter the required info as described:

Name	Column	Values	Comments
Name	NAME	Oman Social Insurance Jurisdiction	

Name	Column	Values	Comments
Territory	TERRITORY	Oman	
Legislative Category	LEGISLATIVE_CATEGORY	Social Insurance	
Identifying	IDENTIFYING	Yes	
Legal Entity Registration Code	LEGAL_ENTITY_REGISTRATION_CODE	Social Insurance Number	Indicates that the Social Insurance Number is used as registration for a Legal Entity Registration.
Legal Reporting Unit Registration Code	LEGAL_REPORTING_UNIT_REGISTRATION_CODE	Legal Reporting Unit Registration Number	

4. Click **Save and Close**.

Legal Addresses and Legal Authorities

There aren't any predefined legal addresses for Oman, you need to create legal addresses for all organizational units of the enterprise.

To define legal addresses:

Note: **Setup and Maintenance > Legal Structures > Manage Legal Addresses**

1. In the Search Results section, click the drop-down list for **Actions** and select **Create**.
2. On the Location Create page, enter the address info and click **OK**.

Legal Authorities

There aren't any legal authorities are predefined for Oman. You must create a legal authority for each government entity, that has a relationship with the enterprise. Later, you can register each legal entity you create with a legal authority.

To define legal authorities:

1. Select **Manage Legal Authorities** in the implementation project task list.
2. Select the drop-down list for **Actions** and then click **Create**.
3. Select the Tax Authority Type based on the type of interaction. Typically, this is set to Collecting and Reporting.
4. Click the Create Address icon to open the Create Address page.
5. Go back to the Tax Authority page after adding the address and select the add Legislative Categories icon.
6. Click **Save and Close**.

Legislative Data Groups and Legal Entities

A legislative data group (LDG) defines the payroll and related data partition context for a user, which lets you partition their payroll data.

An LDG must be defined in an HR-only implementation if you plan to export employee-level info, such as payment methods or salary, to a third-party payroll system.

If an LDG is associated with a PSU, then whenever you create payroll data, the LDG can be derived from the payroll relationship for the transaction through the PSU association.

You can define an LDG by navigating to the Manage Legislative Data Groups page and clicking on **Create**.

Define a Legal Entity

When defining a legal entity, you need to consider the context in which it's to be used:

- If it's to be used in an HCM context, choose it as a legal employer. In an HCM implementation, it's required to define legal employers.
- If it's to be used in a Payroll context, choose it as a PSU.
- You can define a legal entity that's both a legal employer and a PSU.
- If multiple legal employers need to be grouped together for tax reporting purposes, you can associate them all with a single PSU. If legal employers don't report together, they must not share a PSU.

Note: No legal entities are predefined for Oman. You must create all legal entities that apply to the enterprise you're setting up.

Note: Legal entities for Oman should be marked as both a legal employer and a PSU.

Create a Legal Entity

Note: Define Legal Entities for Human Capital Management > Manage Legal Entity

To define legal entities:

1. On the Select Scope page, select Search Legal Entities, and Select and Add in the Legal Entity field.
2. Click Apply and Go to Task.
3. Click Create in the search results.
4. Provide the required info and keep in mind the following:
 - The Legal Entity Identifier is an internal code.
 - An identifying jurisdiction needs to be defined.
 - You need to define the legal address for the legal entity.
 - Start date and end date are optional, but it's recommended to enter the start date.
 - You must select both the Payroll Statutory Unit checkbox and the Legal Employer checkbox.

- The type of registration information required is based on the identifying jurisdiction. In this case, Social Insurance Number and Legal Reporting Unit Registration Number are required for registration with the jurisdiction for the legislation category as Social Insurance.
5. Click **Save and Close**.

Legal Entity HCM Information

Additional information about legal entities is required for Oracle HCM processes. To provide HCM information:

Note: Define Legal Entities for Human Capital Management > Manage Legal Entity HCM Information

1. On the Select Scope window, click Select and Add in the Legal Entity field.
2. If the entity is a legal employer, complete the required fields on the Legal Employer tab and review the details.
3. Choose the Employment Model for the Legal Employer.

Note: Oman localization supports all employment models. Go to the Oracle Help Center for more information on employment models.

4. Click the Payroll Statutory Unit tab.
5. Complete the fields on this tab for the Omani Employer Category and Employer Section, and click **Submit**.

Tip: The Fiscal Year Start for a customer in Oman must be set to January 1st of the year the enterprise goes live on the Oracle Fusion product.

Create a Legal Reporting Unit

Follow the steps to create an LRU for Oman:

Create an LRU

Note: Legal Structures > Manage Legal Reporting Unit HCM Information

1. Select Manage Legal Reporting Unit, and then click **Select and Add**.
2. Click **Apply and Go to Task**.
3. On the Select and Add window an LRU with the same name as the Legal Entity is created. This is the primary legal reporting unit for the legal entity. You can change the name, if required.
4. To create a second LRU for this legal entity, go to the Select Scope page.
5. Select Manage Legal Reporting Unit, the name of the legal entity, and click **Create New** in the Legal Reporting Unit field.
6. Click **Apply and Go to Task**.
7. Click **Create**. Enter the required information on the Create Legal Reporting Unit page.

Legal Reporting Unit HCM Information

Additional information about LRUs, referred to as tax reporting units or reporting establishments in this context, is required for Oracle Fusion HCM processes.

Follow these steps to provide HCM information:

Note: Legal Structures > Manage Legal Reporting Unit HCM Information

1. Select the legal reporting unit and click Tax Reporting Unit and Reporting Establishment. This creates the TRU and reporting establishments for that LRU.
2. Enter the Reporting Establishment Details.
3. Enter the Tax Reporting Unit Details.

Note: You can create a registration with any authority by creating the registration for a jurisdiction you created previously.

Create a Business Unit

You need to assign a business unit to a worker during the new hire process, so business units must be created for the enterprise.

To create a business unit:

1. Select **Define Business Units for Human Capital Management** in the implementation project task list.
2. Click **Create**.
3. Provide the required info.

Note: You need to have previously created the location and default set. Default sets are created using the Manage Reference Data Sets task. For more information about business units and default sets, go to the Oracle Help Center.

4. Click **Save and Close**.

2 Define Workforce Setup

Locations, Divisions, Departments, and Reporting Establishments

No workforce structures are predefined for Oman. You need to define the workforce structures that apply to your enterprise.

Locations, Divisions and Departments

To create or manage locations:

Note: Setup and Maintenance > Tasks > Search > Manage Locations

1. Select the **Create** icon.
2. Provide the required info and click **Submit**.

You can create Divisions and Departments by using the same navigation and selecting the **Manage Divisions** and **Manage Departments** tasks respectively.

Reporting Establishments

A reporting establishment represents an organizational unit used for HR statutory reporting. You can create a new reporting establishment from scratch or you can select an existing TRU and define it as a reporting establishment.

You can mark an LRU as both TRU and Reporting Establishment in the LRU HCM Information.

Define Grades, Jobs, and Positions

A set of workforce structures, including grades, jobs, and positions, must be defined during implementation. These structures are used to assign a role to each worker in the organization.

Grades

To create grades:

Note: Setup and Maintenance > Workforce Structures > Manage Grades

1. Click **Create** and provide the required info.
2. Click **Next** to define the order of progression between grades.
3. Click **Next** to define grade rates.

Jobs and Positions

Note: Setup and Maintenance > Define Jobs and Positions > Manage Job

1. Click **Create** and provide the required info.
2. Click **Next** to provide job details.

Positions: To create positions, navigate to the Define Jobs and Positions task and select **Manage Positions**.

Note: On this page, you can specify optional attributes, such as Full Time or Part Time, Regular or Temporary, Entry Grade and Entry Step. You can also add previously defined grades that are valid for this position. No Oman-specific data is required or captured in the Position Details page or other setup pages for positions

Personal Data Setup

Let's look at the setup and validations which are predefined for Oman for the following person info:

- Addresses
- Names
- Legislative Information
- National ID

Addresses

The format in which addresses need to be entered for workers located in Oman is predefined and shouldn't be changed during implementation. The predefined format enables the following fields:

- Country (Required)
- PO Box Number (Optional)
- Address Line 1 (Conditional Required)
- Address Line 2 (Optional)
- Postal Code (Optional)
- City (Required)

Address Validation

The following set of validations specific to Oman are performed when the address is entered: Enter a value in either address line 1 or post office box.

Address Mapping

If you're uploading data through HCM Data Loader (HDL) you need to map the address fields as described:

Person Address Mapping

Address Element	Line	Required or Optional	Prompt
COUNTRY	1	Required	Country
POSTAL CODE	2	Optional	PO Box Number
ADDRESS LINE 1	3	Optional	Address Line 1
ADDRESS LINE 2	4	Optional	Address Line 2
CITY	5	Required	City

Names

A name style decides how the name is displayed on a person's record. It specifies which components are shown, the sequence in which they're displayed, and whether they're optional or required. The format in which names must be entered for workers located in Oman is predefined. You have the option to add additional name attributes to the predefined name attributes, but the existing structure shouldn't be modified.

Predefined Name Style for Oman

Column Name	Display Sequence	Required or Optional	Prompt
TITLE	10	Optional	Title
FIRST NAME	20	Required	First Name
MIDDLE NAMES	30	Optional	Second or Father's Name
NAME INFORMATION 1	40	Optional	Third or Grandfather's Name
LAST NAME	50	Required	Last Name
NAME INFORMATION 2	60	Optional	Mother's First Name
NAME INFORMATION 3	70	Optional	Mother's Last Name

Legislative Information

Oman-specific legislative information can be captured for each person. None of these fields are required, and it's up to the enterprise to decide which data needs to be entered.

Oman supports the following legislative information:

- Marital Status: Uses Oman-specific values in the lookup.
- Religion
- Highest Education Level

National Identifiers

The following national identifiers are provided for Oman:

- Social Insurance Number
- Civil Identity Number

Contacts

The Oman-specific PER_PERSON_CONTACT_RELATIONSHIP_DDF includes the following flexfields:

- Statutory Dependent (CONT_INFORMATION1)

Visa

The Oman-specific PER_PERSON_VISA_LEG_DDF includes the following flexfields:

- Previous Occupation (VIS_INFORMATION1)
- Sponsor Type (VIS_INFORMATION2)
- Sponsor Name (VIS_INFORMATION3)
- Sponsor Relationship (VIS_INFORMATION4)
- Sponsor Number (VIS_INFORMATION_5)
- Sponsor Nationality (VIS_INFORMATION6)

Tip: Refer to the Oracle_Fusion_HRMS_OM_Data.xls document on My Oracle Support (MOS) for a complete list of predefined lookups and flexfields for Oman.

Passport

Following are the details that can be recorded for Passport:

- Issuing Country
- Type
- Number
- Issuing Authority
- Issue Date
- Expiration Date
- Nationality

Disability

The Oman-specific PER_PERSON_DISABILITY_LEG_DDF includes the following flexfields:

- Reporting Description (DIS_INFORMATION1)

3 Set Up Payments for Employees

Define Banks, Branches, and Bank Accounts

Banking setup is required for reporting purposes because the data may be passed to other products, such as an expenses module.

Banks

To define banks:

1. Sign-in to the application with a role that has implementation privileges, such as APPL_IMP_CONSULTANT.
2. Select **Manage Banks** in the implementation project task list.
3. Click **Create**
4. Provide the required info.

Bank Branches

To define branches for the banks you created:

1. Select Manage Bank Branches in the implementation project task list.
2. Click Create.
3. On the Create Bank Branch page, provide the required information.

Bank Accounts

No bank accounts are predefined for Oman.

To define bank accounts:

1. Select Manage Bank Accounts in the implementation project task list:
2. Click Create.
3. On the Create Bank Branch page, provide the required information.

Note: To use this bank account for processing payments related to payroll, select the Payroll option in the **Account Use** field.

Note: The only Legal Entities that can be selected are the ones that have been assigned to a Primary Ledger.

Organization Payment Methods

After setting up banks, you can define the payment methods that can be used within the organization itself.

No organization payment methods are predefined for Oman. You need to create the ones applicable to the enterprise.

To define organization payment methods:

1. Select Organization Payment Methods in the implementation project task list.
2. In the Search Results section, click the drop-down list for **Actions** and click **Create**.
3. Select the legislative data group associated with this payment method.
4. Enter the required information.

While creating an organization payment method a payment source needs to be created.

Note: Oman supports the following payment types:

- Electronic Funds Transfer (EFT)
- Cheque
- International Transfer

Consolidation Groups

Consolidation groups are used within the organization to enable grouping of different payrolls for reporting purposes.

No consolidation groups are predefined for Oman. If you'll be creating payroll definitions for the implementation, you need to define at least one consolidation group first since it's required information for payroll definitions.

To set up consolidation groups:

1. Sign in to the application with a role that has implementation privileges, such as APP_IMPL_CONSULTANT.
2. Select **Manage Consolidation Groups** in the implementation project task list.
3. Click **Add Row**.
4. Enter a name and select a legislative data group. Description is optional, but useful to provide.
5. Click **Save**.

Payroll Definitions

Payroll definitions contain calendar and offset information that determine when payments are calculated and paid.

Using payroll definitions, you can specify payment frequency, processing schedule, and other parameters for a particular payroll. Payroll period types, such as weekly or monthly, determine the interval at which you pay employees. Before you can create a payroll definition, you must have already defined a legislative data group and consolidation group.

No payroll definitions are predefined for Oman.

To set up payroll definitions:

1. Select **Payroll Definitions** in the implementation project task list.

2. In the Search Results section, click the drop-down list for **Actions** and click **Create**
3. Select the LDG for this payroll definition, and click **Continue**.
4. Enter the required information.

Tip: Oman supports the following period types: Monthly Calendar and Biweekly.

- The biweekly period type option isn't available to users licensed for HCM Payroll.
- You need to select an existing consolidation group.
- Click Add Row in the Valid Payment Methods section to add an organization payment method to use as the default, and any extra payment methods valid for this payroll. You can select any organization payment method defined for the LDG that's linked to this payroll definition.

5. Click **Next**, and provide the required information on the Payroll Offsets page.

4 Elements and Calculation Cards for Payroll

Elements and Element Templates

Elements are created through predefined element templates, which provide the user with an intuitive user interface and manage the creation of different types of elements and their associated objects.

Availability of Element Template Functionality Based on Customer License

The features of element templates depends on type of license you have:

HR-Only: An HR-only customer gets access to the basic version of the element templates. These templates create the element and the customer needs to create the input values, formulas, balances to meet their business requirements.

Payroll Interface: A payroll interface customer gets access to a number of payroll features not available to a HR-only customer. This includes access to the full earnings element that creates the element, input values, formulas, balances. These earnings elements can be processed through the calculation to Gross process, which is also available to Payroll Interface customers. Any other types of element, such as deductions are created using the basic version of the element templates and the customer needs to create the input values, formulas, balances.

Payroll: A payroll customer gets access to all full set of earning and deduction templates. These templates create the element, input values, formulas, balances.

Note: To use elements in payroll, the new elements should be created only after the Oracle Product Usage is set to Payroll. This creates the full set of data that's required in payroll such as elements, input values, balances, formula.

You can set up the license info by navigating to Payroll Process Configuration task in FSM.

Element Entries

For earnings to be associated with a person, you must create an element entry for that person and that element.

An element entry is automatically generated by creating a Salary Basis or a Compensation entry for the payee.

Salary Basis and Compensation

Once you've created the elements that are meant to hold the payee basic salary and compensation information, you can perform the setup required to attribute the gross compensation to the payee.

To set up the salary basis:

1. Sign in to the application with a role that has compensation administrator privileges, such as CMP_ADMIN_ALL.
2. Navigate to the Compensation work area.
3. Select **Manage Salary Basis**, and then click **Create**.
4. Select the element to use for the salary basis and provide the required information.

Individual Compensation

To create a compensation plan, such as for a car allowance:

1. In the Compensation work area, select **Manage Plans** and click **Create**.
2. Select the payroll element for the compensation plan, such as a car allowance.
3. Select the Dates tab and set the payment start and end dates.
4. Select the Eligibility tab to define eligibility for the plan.
5. Select the Plan Access tab and indicate whether to restrict access to this plan.
6. Select the Instruction Text tab and add any user instructions you want to associate with the plan.

Create an Employer Social Insurance Calculation Card for Oman

To support the payroll interface, create a Social Insurance and Gratuity calculation cards for each PSU.

Use these steps to create the calculation card.

Note: Implementation Project List > Manage Legal Entity Calculation Cards

1. Set the scope for this task by selecting the legal entity.
2. Click **Go to Task** and then **Create** to create the card.
3. Enter the Effective As-of Date and Name of this card as: Employer Social Insurance Details.
4. Click **Continue**
5. Enter the required information for processing Social Insurance deductions in the Oman Employer Social Insurance Details:
 - o Employer Type: The employer type can be government sector or private sector. The deduction rules are applied based on the type of sector you choose.
 - o Contributory Salary Reference Formula: You can define the formula that calculates the contributory salary at the legal entity level. The contributory salary value is derived from this formula and is used as the reference value for social insurance calculation. This formula must have the value returned using variable CONTRIBUTORY_BASE.
6. Click **Submit** to save the Social Insurance Calculation Card.

Create an Employer Gratuity Calculation Card for Oman

You can create a gratuity calculation card as follows:

Set the scope of this task by selecting the legal entity.

Note: Implementation Project List > Manage Legal Entity Calculation Cards

1. Click **Go to Task** and then click **Create**.
2. Enter the Effective As-of Date and Name of this card: Employer Gratuity Details.
3. Click **Continue**.
4. Enter the required information for processing Gratuity in the Bahrain Employer Gratuity Details:
 - o **Gratuity to be Paid:** You must select the checkbox if Gratuity is to be paid by the Employer.
 - o **Gratuity Salary Formula:** You need to define your own salary formula for gratuity calculation. Once you've defined the salary formula, you can select it here. The formula must return the values using variable MONTHLY_SALARY. Additional details on the calculation are provided in the section on gratuity calculation.
 - o **Gratuity Reference Formula:** You can define your own reference formula to calculate the paid gratuity amount and select it. The formula returns the values using variable PAID_GRATUITY. This overrides the amount calculated by the default predefined formula.
5. Review the information entered and click **Submit** to save the Gratuity Calculation Card.

Personal Calculation Cards

Personal payroll calculations represent calculation that's specific to a payroll relationship. Payroll and Payroll Interface application users can create personal calculation cards.

You require a calculation card for every payroll relationship. When you create a payroll relationship, a calculation card is automatically created.

Automatic Creation of Personal Calculation Cards

Consider these important aspects of the automatic calculation card creation process:

- Calculation cards are created automatically for all payroll relationships of type Standard. For Oman, standard payroll relationship is applicable to Employees and Nonworker (paid).
- To enable automatic card creation, you need to have a license setup for Payroll or Payroll Interface applications.
- The application creates a calculation card after the completion of the new hire process.

Social Insurance Details Calculation Card

The social insurance calculation card is automatically created when the new hire process for an employee is completed, provided the employee citizenship information is specified. If the citizenship information is not specified, then the social insurance calculation card must be created manually.

Note: The Employee Social Insurance Details calculation card component creates an element entry for the Social Insurance element. You've to create the element eligibility for this element before the calculation card is created.

Note: Social Insurance calculations are only processed for Gulf Cooperation Council (GCC) citizens. Select the required **Citizenship** field and then **Registered for Social Insurance** if the person needs to be processed for Social Insurance.

Additional Calculation Component Details for Social Insurance: You can add additional calculation component details for:

- Exempt from SI Contribution Difference
- Country of Citizen Pension
- Exception Type (only if person's citizenship is Emirati)

Tip: You can add an adjustment amount for the contributory salary

Tip: You can add an override amount for the contributory salary.

You can also enter negative values to reduce the contributory salary amount. The Contributory Salary Override amount should be available only for the month in which user needs to override the salary.

Personal Calculation Card: Gratuity

A Gratuity calculation card captures values required for calculating and processing the Gratuity payment.

The gratuity calculation card is created automatically when an employee is terminated and the gratuity to be paid checkbox on PSU level employer Gratuity calculation card has been selected. When the gratuity calculation card is created, the gratuity component, component details, and association are automatically created.

Note: The Employee Gratuity Details calculation card component creates an element entry for the Gratuity element. You have to create the element eligibility for this element before the calculation card is created.