Training Agenda

- **Payroll Basics**
- **Retroactive accounting**
- **Payroll Organisation**
- **Payroll control Record**
- **Payroll status infotype**
- **Payroll Posting**
- **Payroll Wage type concepts**
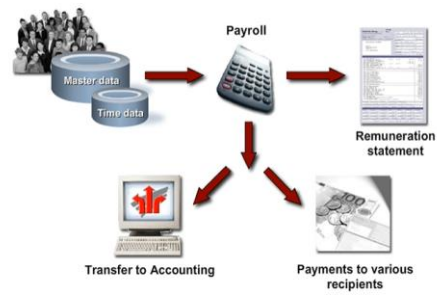- **Payroll Schemas and rules**
- **Key payroll infotypes**

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Payroll Basics

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Payroll Basics

Payroll is the calculation of payment for work performed by each employee.

Payroll comprises a number of work processes, including the generation of payroll results and remuneration statements, implementation of bank transfers, and facilitation of check payments.
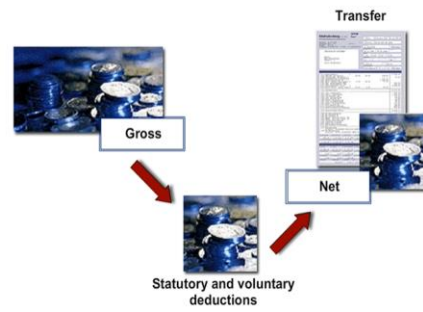
Payroll also covers a number of subsequent activities, such as the posting of results to Financial Accounting (FI), and other evaluations, such as for taxes

Payroll Prerequisites

The table lists the prerequisites for running the payroll and some of the associated activities

Tasks	Prerequisites	Activities
Maintenance of master and time data	• Work schedules	• Use Customizing to set up and generate work schedules
	• Dialog and time wage types	• Make copies of model wage types to create customer wage types in the customer name range
	• Infotypes 0000, 0001, 0002, 0006, 0007, 0008, and 0009 and country-specific infotypes (such as tax)	• Use personnel actions to enter employee data in the system
	• Payroll also processes infotypes 0014, 0015, 2001, 2010, 2003, 2005, and so on	
Administration	• Payroll areas and periods	• Use Customizing to set up and generate payroll areas and periods
	• Payroll control records	• Use Customizing to create payroll control records
Subsequent activities	• Bank details and information about house banks	• Set up account numbers (entered by HR or employees through Employee Self-Service [ESS]) and

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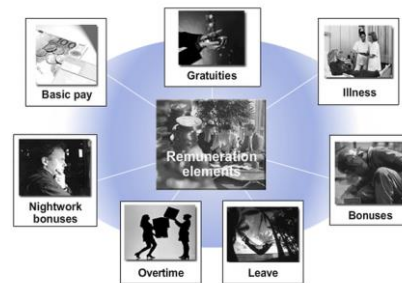# Remuneration Elements

Transfer

Gross

Net

Statutory and voluntary deductions

Remuneration or wages are calculated in the following steps:

•Calculation of remuneration elements

•Calculation of statutory and voluntary deductions, which are country-specific

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Calculation of Remuneration Elements

Basic pay · Gratuities · Illness · Remuneration elements · Bonuses · Nightwork bonuses · Overtime · Leave

An employee's remuneration elements are determined on the basis of the individual wage types used in a payroll period.

Following payments can be included in calculation of remuneration :

- Basic Pay
- Bonuses
- Vacation allowances
- Gratuities

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Statutory and Voluntary Deductions

To determine the payment amount, statutory and voluntary deductions, such as taxes and social insurance contributions, are taken into account.
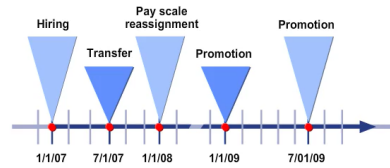
Deductions are calculated on the basis of gross values.

For this reason, various amounts are calculated during the payroll run, which are then used for subsequent processing. (Cumulations)

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Retroactive accounting

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Master Data – Retroactive accounting

The system recognizes changes to payment infotypes and triggers retroactive accounting. For example, when you make changes to the master data for earlier periods, the arrears are calculated automatically and paid along with the current pay period's salary. Because the system recognizes retroactive accounting automatically, you cannot change the payroll results manually.
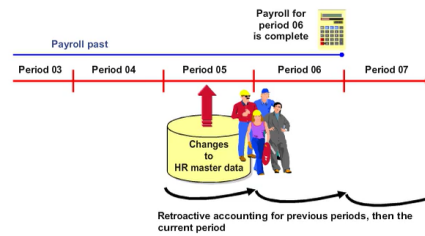
Both HR master data and a large number of Customizing table entries include a start and end date.

The payroll program requires these dates so that it can perform calculations for specific days and retroactive accounting for previous periods.

The system recognizes changes to payment infotypes and triggers retroactive accounting. For example, when you make changes to the master data for earlier periods, the arrears are calculated automatically and paid along with the current pay period's salary.

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Retroactive Accounting

Payroll for period 06 is complete

Payroll past

| Period 03 | Period 04 | Period 05 | Period 06 | Period 07 |

Changes to HR master data

Retroactive accounting for previous periods, then the current period

Retroactive Accounting

A retroactive payroll calculation is performed if certain types of master data or time data are changed in the payroll past. To ensure that a retroactive run is performed for specific changes rather than for all changes, a retroactive run is triggered only for those changes that require a correction of the payroll results. You can define the retroactive accounting relevance for an infotype or an infotype field.

If you change the HR master data for a period for which the payroll has already been run, the payroll must be run again for the same period using the current values. This is known as retroactive accounting.
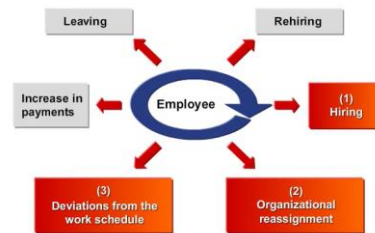
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Payroll Organisation

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Personnel Processes

Personnel Processes

Events that can trigger retroactive accounting are as follows:

- Hiring
- Organizational reassignment
- Deviations from the work schedule
- Retroactive salary increase
- Time sheet information received late
- Retroactive hourly rate increase

Note: If an employee leaves your enterprise, you do not delimit information about the remuneration and bank details immediately. You may need this information, if there is a retroactive accounting salary change.

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Key Infotypes during hiring

Input templates for hiring:

- *Actions* (0000)
- *Personal Data* (0002)
- *Organizational Assignment* (0001)
- *Addresses* (0006)
- *Planned Working Time* (0007)
- *Basic Pay* (0008)
- *Bank Details* (0009)
- *Absence Quotas* (2006)

Country-specific infotypes

- For example, taxes

A hiring action consists of a series of standard infotypes that are required for any country. Some infotypes, such as tax data, are country-specific.

If you set the user parameters for a particular country, such as 01 for Germany or 10 for the USA, the system accesses the appropriate personnel actions, which include all the relevant country-specific infotypes

Payroll Organization

You can perform a payroll run at different times, for example, at the beginning of the month, and with different frequencies, such as monthly. Payroll consists of different phases that take place sequentially. You can control payroll using various payroll areas and payroll control records.

Payroll areas
    You define a payroll area to group employees for whom payroll is run at the same time, and who are paid on the same date.
    A period parameter and a date modifier are assigned to each payroll area.

Payroll periods
    You define a payroll period to represent the period for which a regular payroll is run. Payroll periods must be generated for each combination of period parameters and date modifiers assigned to a payroll area.

    Each period parameter is assigned to a time unit. The values for time units are defined as monthly, semi-monthly, weekly, bi-weekly, every four weeks, and annually.

Control records
    You create a control record for every payroll area to control the individual stages of the payroll process.

Payroll Areas

Payroll Areas

You can use a payroll area as a selection criterion for many payroll processes. For example, you can use a payroll area to run payroll, generate the remuneration statement, and create evaluation reports for the payroll run.

If you want to select fewer employees for a payroll run or other evaluations, you can use additional selection criteria, for example, the cost center, or the employee subgroup. However, such a selection is suitable only for test and simulation purposes, because the payroll control record is not taken into account in the simulation run.

Payroll Area XX

| Jan. 01 | Feb. 01 |

MONTHLY payroll run, on the 28th of the current month

Payroll Area YY

| Jan. 01 | Feb. 01 |

WEEKLY payroll run, on the Thursday of the current week

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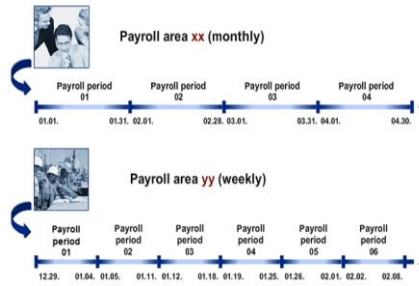
Payroll Periods

A payroll period determines the period for which a payroll result is created.

The length of payroll periods can differ.

For example, a payroll period can be a month, a week, or fourteen days.
Note: The exact start and end dates of payroll periods must be defined for payroll areas.
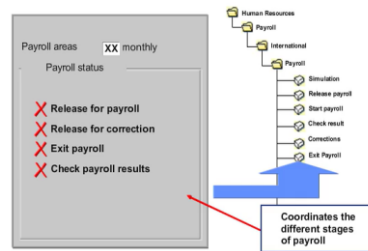
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Payroll control Record

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Payroll Control Records

Payroll areas [XX] monthly

Payroll status

✗ Release for payroll
✗ Release for correction
✗ Exit payroll
✗ Check payroll results

Human Resources
  Payroll
    International
      Payroll
        Simulation
        Release payroll
        Start payroll
        Check result
        Corrections
        Exit Payroll

Coordinates the different stages of payroll

You must create a payroll Control Record for each payroll area

The payroll control record performs the following functions in payroll:
•It defines the payroll past for retroactive accounting.

•It locks master data and time data so that no changes can be made during the payroll process. The lock is valid for the payroll past and the payroll present. Changes that affect future payroll runs are still possible.

•It defines the earliest possible retroactive accounting date for each payroll area.

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Payroll Control Record – Periods

Payroll Control Record – P…

The following table describes the various fields in the payroll control record:

Field	Description
Payroll period	Shows the period of the last payroll run
Run	Shows the current saved payroll run
Earliest RA period	Shows the start date of the retroactive accounting period
Last change to control record	Shows the change information

Payroll area	**XX** monthly

Payroll status

Payroll period	01	2009	01. 01. 2009 — 31. 01. 2009
Run	01		

Earliest RA period   01   2008   01. 01. 2008

Last change to control record

by   Miller   on   01.08.2008   at   11:01:30

Status   created

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Payroll status infotype

Payroll Status Infotype

Pers.No.	5	Name		
Pers.area		EE group	P	Permanent
Subarea		EE subgrp	M3	Assistant Manager
		Chng		

Payroll/Retroactive Accounting

Earl.pers. RA date		Accounted to	31.07.2014	
Run payroll up to		Earliest MD change	01.07.2014	
Do not account after		Mast.data chng.bonus	01.07.2014	⇒ Bonus Info

☐ Pers.no.locked   ☑ Payroll correction

Time evaluation

Earl.pers.rec.date		Pers.calendar from	05.01.2014
PDC recalculation	01.01.2014		

☐ PDC error indicator

Other data

Initial input	15.04.2014	16:35:23

The *Payroll Status* infotype (0003) is automatically created for each employee at the time of hiring. The *Payroll Status* infotype contains data that controls an employee's payroll runs and time evaluations. The system updates the infotype when performing a payroll run, evaluating time, or making changes to the payroll past.

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System-Defined Fields – Control Record

The following fields of the Payroll Status infotype are automatically updated by the system:

Accounted to
The end date of the last completed payroll period is entered here by the payroll driver.

Earliest MD change
If master data is changed for earlier payroll periods, the system enters the appropriate date in this field.

This date is deleted after each completed payroll run. The program recognizes whether and when payroll must be repeated to take master data changes into account.

MD change
The Earliest Master Data Change Bonus field is filled with a date when master data is edited. This date is deleted during bonus accounting and non-authorized manual checks (NAMC, only for the U.S.). As a result, the payroll system can perform retroactive accounting optimally in connection with bonus accounting. This field is used in a similar way to Earliest MD Change.

Payroll correction
If a personnel number is rejected or you entered data during the correction phase of the payroll run, the payroll driver flags this field. The employee is then entered in the correction run with this indicator. If the payroll is completed successfully, the indicator is removed. If changes are made in Customizing, the Payroll correction indicator is not set.

Manual Settings – Control Record

Payroll/Retroactive Accounting	
Earl.pers. RA date	
Run payroll up to	
Do not account after	

☐ Pers.no.locked

You can change the values in the following fields of the *Payroll Status* infotype manually:

Earl. pers. RA date (Earliest personal retroactive accounting date)
> You use this field to set an employee's retroactive accounting limit if it differs from the date set in the payroll area.

Accounted to
> You use this field to specify the date up to which a payroll is to be run for an employee who has left the enterprise.
> The date that you specify must lie in an interval in which the employee is not actively employed.
> For example, a terminated employee can continue to be paid for a specified period after the leaving date.
> If an employee is actively employed, the payment is triggered automatically during retroactive accounting.
> You do not need to enter a date in this field.

Do not account after
> You use this field to enter a date after which payroll will no longer be run for an employee. The subsequent day must lie in a non-active period.

Pers. no. locked (Personnel number locked)
> You use this field to lock an employee for payroll. This means that the personnel number will not be selected for payroll.

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Retroactive Accounting

Retroactive Accounting

The retroactive accounting limit determines the exact date until which the master data and time data can be changed in the payroll past.

If the date set for each payroll area differs from the date specified for the employee, the later date is used. The absolute retroactive accounting limit for an employee is the hiring date.
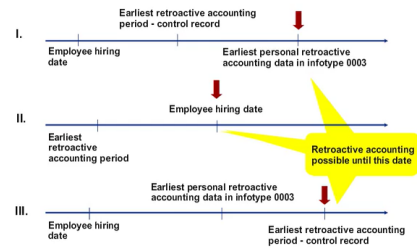
Payroll Process

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Payroll Processes

Legend:
- Function in menu
- Control record status

Release Payroll — Release for payroll

Start Payroll — Release for payroll

Run payroll ok?

YES — Exit Payroll — Exit payroll → Subsequent activities in payroll

NO — Corrections — Release for correction → Change master data
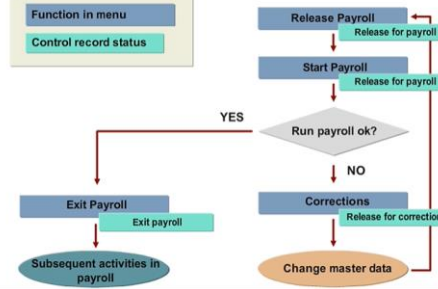
The payroll process in the SAP system includes the following steps:

1. Release the payroll.
2. Start the payroll run.
3. Check the results.
4. Perform corrections and repeat the payroll process until the payroll is error-free.
5. Exit the payroll.

During a payroll run, the payroll program reads the master data and time data infotypes.

Any changes made to the master data or time data during the payroll run can lead to inaccuracies in the payroll results. To avoid this, the system does not permit any changes in the master data and time data that affect the payroll past and present.

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Payroll Simulation
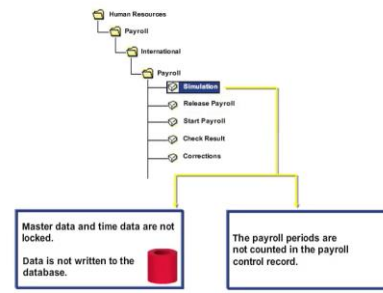
Payroll Simulation

Before you run an actual payroll, you can simulate the payroll run. Simulating a payroll run enables you to display and print remuneration statements in a test environment.

Master data and time data are not locked.

Data is not written to the database.

The payroll periods are not counted in the payroll control record.

Simulating a payroll run offers the following advantages:

•The system does not lock the master data and time data.
•*Release Payroll* and *Exit Payroll* functions are not required. Results of a simulated payroll run are not written to the database; they can be viewed in the payroll log.
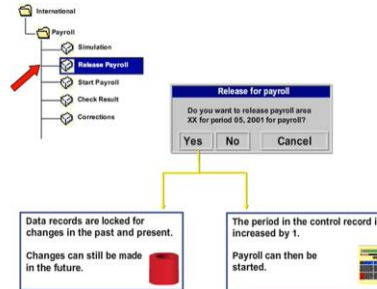
Release Payroll

The first step in processing payroll is to execute the *Release Payroll* function.

If you choose the *Release Payroll* function from the menu, the system prevents you from making any changes that affect the payroll past or present. This lock applies to the personnel numbers included in the relevant payroll area. Changes that affect future payrolls can still be made.

You must execute the *Release Payroll* function before starting a payroll run. If the status of the payroll control record was previously *Exit Payroll*, the *Release Payroll* function increases the period in the payroll control record by one.

Start Payroll
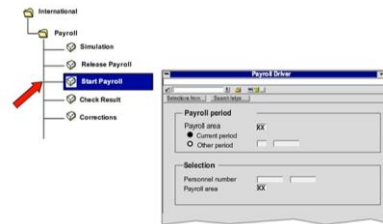
After executing the *Release Payroll* function, you can execute the *Start Payroll* function. To start a payroll run, specify the payroll area in both the *Payroll period* and *Selection* sections.

The payroll area determines the payroll period with the exact dates and personnel numbers that will be selected.

Before executing the *Start Payroll* function, ensure that a payroll control record exists.

Start Payroll- Payroll Schema

Start Payroll (Part 2)

The payroll schema describes the sequence and the content of a program procedure. It consists of a list of statements and links to subschemas and functions that are described in detail using parameters. The program processes the specified calculation schema sequentially.

General program control

Payroll reason	
Off-cycle payroll	
Payroll schema	X700
Forced retro. accounting as of	01.01.2009

☐ Test run (no update)

Log

☑ Display log
☐ Also display time data processing log
Display variant for log

Parameters for Remuneration Statement

Display variant rem. statement
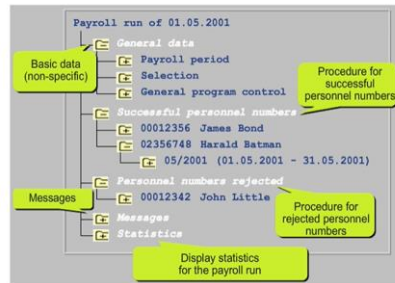
Payroll Log

You can choose to display the payroll log after the payroll run by selecting the *Display log* checkbox.

In the payroll log, the payroll results are displayed in a tree structure, which makes it easier for you to analyse and get an overview of the payroll results.

The payroll log presents the table of contents in the form of a tree structure. You can use the nodes within the tree structure to access the required information.

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Detailed View of a Processing Step in Payroll log

```
WPBP: Import work center/basic pay
    Input
        P0000
        P0001
        P0007
        P0008
    Processing
        Data retrieval
        Indirect valuation
    Output
        WPBP
        IT
```
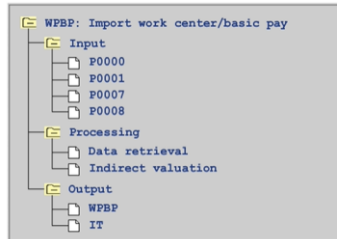
If you display a detailed view of a processing step, you can choose between input data, data processing, and output data within the log.

Error Messages in the Log
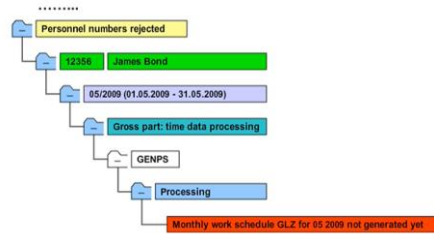
If an error occurs when a personnel number is processed, the log is expanded at the appropriate place and the error message is displayed

Check Results

You can execute the *Check Result* function to ensure that changes are not made to payroll data if they affect the payroll past or present. This function also locks the corresponding payroll accounting area to prevent you from including it in a payroll run. This function enables you to check the payroll results.
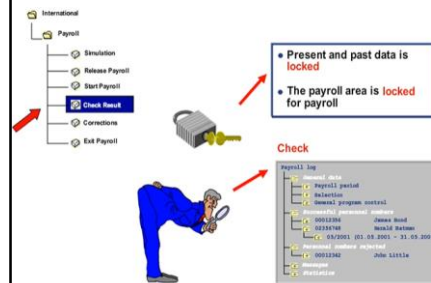
The *Check Result* function is optional and is not used in many cases. You can reset this function by choosing *Release Payroll* .

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Corrections

1.

International
Payroll
— Simulation
— Release Payroll
— Start Payroll
— Check Result
— **Corrections**

2. Correct master data of rejected personnel numbers

3.

International
Payroll
— Simulation
— **Release Payroll**
— **Start Payroll** → Start payroll using **Matchcode W**
— Check Result
— Corrections
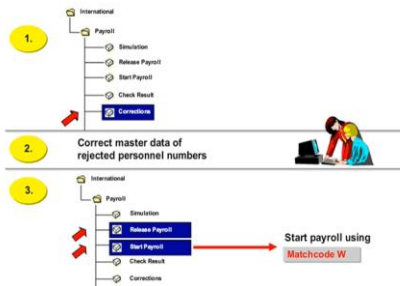
If you choose *Corrections* , the infotype records assigned to the selected payroll area are released for correction. Choose this function to change infotype data if personnel numbers are rejected during the payroll run.

You can perform up to 99 correction runs.

After correcting the data, you must release the payroll. This locks the personnel records again;

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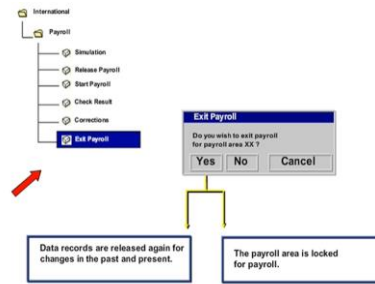
Exit Payroll

The Exit Payroll function enables you to re-release infotypes so that they can be maintained for the payroll past and present.

You cannot exit the payroll until the payroll has run successfully for all the personnel numbers assigned to the payroll area (*Matchcode W* is empty).

If you try to exit the payroll while rejected personnel numbers still exist, the system displays an error message.

Troubleshooting

Examples of problems that can occur during a payroll run:

- Delayed time recording sheets
- Retroactive employee transfer
- Change in the payroll area
- Missing *Basic Pay* infotype error
- *Planned Working Time* infotype error
- Payroll administration error
- Partial period factoring

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Troubleshooting –Payroll processing examples

Delayed Time Recording S...

If there is a delay in the arrival of a time recording sheet, perform the following steps:

1. Release the payroll run for corrections.
2. Enter the time data in the system.
3. Release the payroll again.
4. Run payroll using *Matchcode W*.
5. Check the results.

Missing Basic Pay Infotype...

If a leaving personnel action delimits the *Basic Pay* infotype, you can reset the end date of the *Basic Pay* infotype to 12.31.9999.

Retroactive Employee Transfer

A scenario such as this can arise when, for example, the Personnel department enters a number of employee transfers that came into force in June, after the payroll has been completed for that month, and new hires have been entered for July.

In case of employee transfers and new hires, perform the following steps:

1. Enter the changes in the master data for the month of June.
2. Run payroll for July, as normal.
3. The changes will be recognized by the system automatically within retroactive accounting, and paid with the July

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Payroll Results

Technical view	Employee view	Department view
Payroll results (H99_Display_Payresult)	Remuneration statement (RPCEDTx0)	Payroll account (RPCKTOx0)
		Payroll journal (RPCLJNx0)
		Wage type reporter
		Payroll results evaluation

After a payroll run, you can view the payroll results in different views.
Views allowed by the payroll system:

•Technical In this view, you can generate an international report that displays payroll results.

•Employee: In this view, the RPCEDTx0 program enables you to generate employee remuneration statements.

•Department In this view, various programs are available that provide different views of payroll data.

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Remuneration Statement
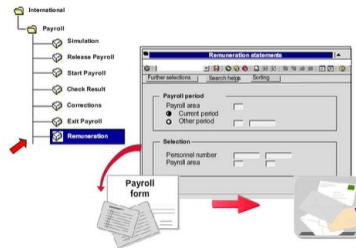
Remuneration Statement

A remuneration statement contains a list of payments and deductions effected during a payroll run for an employee.

A remuneration statement contains a list of payments and deductions effected during a payroll run for an employee.
The remuneration statement is usually created after the payroll run, but before payment is effected.

Customizing enables you to determine the format, structure, and content of the forms you want to use.
The SAP system also enables you to create personal or general notifications for your employees that are printed on the remuneration statement as additional information.

Payroll Posting

Payroll Posting

Payroll Posting

The FI department is interested in the flow of payments including personnel expenses, payables, and resulting payments. The payments are posted according to the type or identity of the payee and the due date of the payment. FI also provides an overview of resource allocation within the enterprise.

The cost accounting department is interested in the classification of costs according to the type (cost center = general ledger [G/L] account) and the assignment to cost centers or other account assignment objects (additional account assignment). These costs include the allocation of personnel costs to cost objects or as overhead costs.

Posting information is stored in master data using a series of different infotypes.

Posting Information in the Payroll Results

Expenses					Payables			
MA10	Standard salary	1	3000		/559	Transfer	4	2600
MA20	Bonus	2	300		/260	Tax	5	350
MM00	Overtime	3	200		/261	EE SI contrib.	6	550
/3..	ER SI contrib.	7	550		/3..	ER SI contrib.	8	550

Posting information in the payroll results shows expenses and payables.

Wage Types Relevant for posting

Wage Types

The following table lists some of the wage types in an employee's payroll result that are relevant to FI:

Wage Type	Description
• Standard salary • Bonuses • Overtime	• Expenses for the enterprise • Posted to a corresponding expense account
• Bank transfer • Transfer of capital formation savings payment • Employment tax • Employee's contribution to social insurance	• The employer's payables to the employee, tax office, and so on • Posted as credits to a corresponding payables account
• Employer's health insurance contribution	• An expense for the enterprise and, at the same time, a payable to the social insurance agency • Posted to two accounts – one debited as an expense and one credited as a

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Posting Environment

- **Enter posting information in master data** ✓✓
- **Run payroll** ✓
- **Perform posting run**
- **Postings in Financial Accounting**

After the payroll run, you can post the results to FI.

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Payroll Posting Runs

A posting run can be performed in the following ways:
- A test run without documents (T)
- A simulation run with simulated documents (S)
- A productive run (P)

In a test run, the system checks whether the balance of expenses and payables is zero.

In a simulation run and a productive run, the system checks all HR and FI tables.

Posting information in master data is validated against the FI table enteries.

The *Create Posting Run* step evaluates payroll results in a live run and helps you perform the following tasks:

- Create a posting run.
- Create posting documents.
- Select the employees to be evaluated.

Creation of a Posting Run

Creation of a Posting Run

When you choose *Execute Run* **for a productive run, the system performs the following steps:**

1. Creates a posting run.
2. Evaluates the payroll results.
3. Creates payroll documents.
4. Flags the payroll results of the evaluated employees.
5. Generates index information.

Payroll Posting Run Analysis

You can use the posting run log to review the processed personnel numbers and statistics. You can also expand the tree to view further detailed information.

Payroll – Wage type concept

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Remuneration structure
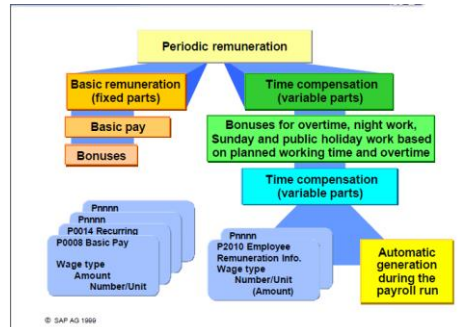
- The elements of an employee's periodic remuneration are either entered by the relevant department or are created by the payroll program using specific prerequisites as a basis.

Wage type information
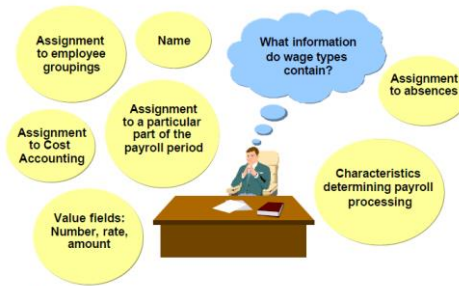
- Wage types form an essential part of payroll. A wage type consists of several fields containing various information.

Wage type elements

Work center basic pay	Amount per unit RATE	Number NUMBER	Amount AMOUNT	Examples:
WPBP-Split	RTE	NUM	AMT	
01	15.00			- Hourly wage
01	20.00	3	60.00	- Time wage type:
				- Salary
01			4,500.00	Partial period 01
02			5,000.00	Partial period 02

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- Each wage type is assigned to a **work center/basic pay period**. If, for example, an employee's pay changes within a payroll period, then the period is split into partial periods, and the wage types are assigned to these partial periods.
- Furthermore, each wage type contains three **value fields** :
- The **RTE** field specifies, for example, the hourly rate used for hourly wage types.
- With time wage types, the **NUM** field initially specifies three hours overtime, for example. To determine the time wage type amount, the system multiplies the number by the rate, and stores the result in the **AMT** field. The rate for time wage types is calculated according to the conditions defined in Customizing.
- With basic pay wage types, such as salary, the amount is stored in the **AMT** field.

Validity period of Wage types

Example

Tax-free → Subject to tax →

1997   1998   1999
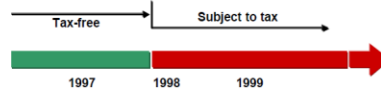
© SAP AG 1999
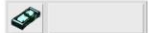
- Each wage type contains a sequence of time-dependent characteristics that determine how the wage type is treated during the payroll run. The characteristics that are stored enable you to control how wage types are processed during payroll.

- If wage type characteristics change, it does not suffice to simply change the corresponding table entries. Instead, the validity periods of existing entries must be delimited, and new entries created with the characteristics required in the future.

Wage type coding

1. Primary wage types	2. Secondary wage types	
- Dialog wage types	- Valuation bases	/0..
	- Gross cumulation	/1..
- Time wage types	- Average bases	/2..
	- Factoring / CO	/8..
- Others: Absences	- Outgoing wage types in retroactive acc. period	/A..
	- Incoming wage types from previous period	/Z..
	- Others:	
	- Result wage types: Tax	/3..
	- Result wage types: SI	/4..

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- Primary wage types are either entered into the system directly by the user (for example, dialog wage types for basic pay) or generated by the system based on time data (for example, time wage types for overtime).

- During the payroll run, the payroll program creates secondary wage types. For example, all amounts to be paid are cumulated into the secondary wage type *Total Gross* (/101) during the run. SAP delivers secondary wage types identified by a name starting with /.

- You can create customer wage types in the above name range. Note that many secondary wage types have a fixed meaning and that you must therefore not change the name.

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Wage Type Configuration

Wage Type Configuration

Configuration Reporting

- Wage types are the primary configuration elements of payroll
- Wage types may be split into two main categories, primary and secondary (technical)
- Primary wage types are the responsibility of the customer for maintenance and configuration
- Model wage types provide examples of configuration for primary wage types
- Each type of primary wage types, dialog, time and absence, has specific considerations for configuration
- Processing classes, cumulation classes and dialog characteristics as well as other specialty table configuration characterize the wage types for processing

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Model Wage Types

- **SAP Delivered**
  - **BAxx After Tax Benefits Contributions**
  - **BExx Employee Benefits Contributions/Pre-Tax**
  - **BPxx Benefits Provider Payments**
  - **BRxx Employer Benefits Contributions**
  - **CMxx Compensation**
  - **Mxxx Basic**
  - **M1xx Specialty Payments**
  - **M2xx Deductions/Donations**
  - **M3xx Tuition Reimbursement Relocation Expenses**

  - **M5xx LTI**
  - **M7xx Voluntary Deductions**
  - **M8xx Time**
  - **MDxx Specialized Deductions**
  - **MGxx Garnishments**
  - **MJxx Travel**
  - **MIxx US Time**
  - **MLxx Incentive Wages**
  - **MMxx Overtime**
  - **Txxx Tips**

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Wage Type Catalog

Wage Type Configuration: Dialog Wage Types

- **Characteristics V_T511**
  - Deductions or Earnings
  - Amount or Number per Unit
  - Indirect or Direct Valuation
- **Permissibility V_T512Z**
  - Defining entry permissibility per infotype
- **Eligibility**
  - Employee Subgroup Grouping for Primary Wage Type V_503_G
  - Personnel Subarea Grouping for Primary Wage Type V_001P_K
- **Groups V_511_B (See report RPDLGA00)**
  - Define access within the IMG
- **Cumulation Classes V_512W_O**
  - Building /1_ _ wage types
- **Processing Classes V_512W_O**
  - Define processing within the payroll run

Wage Type Configuration: Processing Classes

Wage Type Configuration: Cumulation Classes

Wage Type Configuration: Basic Pay

- **Characteristics**
  - Payment
  - Indirect valuation
- **Permissibility**
  - Basic Pay (IT0008)
- **Eligibility**
- **Groups**
- **Cumulation Classes**
  - 01 – Total Gross
  - 02 (US) – 401K Wages
  - 14 (US) – BSI Wages
  - 01, 02, 20-22, 40, 52, 71 (CA) – Taxable income

- **Processing Classes**
  - 01 – Addition to Valuation Basis
  - 10 – Factoring (proration)
  - 20 – Storage and cumulation
  - 30 – Annual/Period cumulation
  - 68-71 – US taxation
  - 52-53, 69-70 – CA taxation, workers' comp and payment processing

Basic Pay Configuration

Customizing: Execute Project

Existing BC Sets | BC Sets for activity | Change log | Where else used

```
Personnel Management
    Global Settings in Personnel Management
    Organizational Management
    Personnel Development
    Personnel Administration
        Basic Settings
        Personal Data
        Organizational Data
        Contractual and Corporate Agreements
        Payroll Data
            Wage Type Concept
            Indirect Valuation
            Basic Pay
                Define EE Subgroup Grouping for PCR and Coll.Agrmt.Prov.
                Wage Types
                    Create wage type catalog
                    Check wage type group 'Basic Pay'
                    Check Wage Type Catalog
                        Check wage type text
                        Check entry permissibility per infotype
                        Check wage type characteristics
                    Employee Subgroups for Primary Wage Type
                    Personnel Subareas for Primary Wage Type
                    Define Wage Type Permissibility for each PS and ESG
                    Enterprise Structure for Wage Type Model
                    Revise Default Wage Types
                    Define valuation of base wage types
                    Determine indirect valuation for positions/work centers
                    Indirect valuation based on master data
```

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Wage Type Configuration: Deductions

Characteristics
- Deduction

Permissibility
- Additional Payments (IT0015)
- Recurring Payments/Deductions (IT0014)

Eligibility

Groups

Cumulation Classes
- 10 – EE deductions

Processing Classes
- 04 – Prorate and Cumulate (US)
- 05 – Storage and cumulation
- 06 – Carry forward
- 10 – Factoring (proration)
- 24 – Transfer control (claims)
- 41 – Storage and cumulation
- 50 – Deduction /Donation processing
- 53 (CA) – Effect on absence
- 70 (CA) – Tax cumulation
- 73 & 78 – 3rd party remittance
- 76 – Special run inclusion
- 83 – Retrocalculation for percentage deductions

Wage Type Configuration: Payments and Deductions
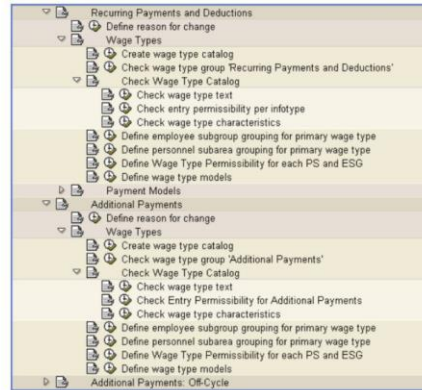
Wage Type Tables

- Wage Type Valuation V_512W_O
- Wage Type Characteristics V_T511
- Wage Type Text V_T512T
- Wage Type Permissibility V_T512Z
- Absence Valuation V_T554C
- Time Wage Type Selection V_T510S
- Assign to Wage Type Groups V_T52D7
- Base Wage Type Valuation V_T539J

- Posting of Payroll Wage Types V_T52EL
- Time Dependency of Wage Type Posting V_T52EZ
- Assign Customizing Wage Type V_T52DZ
- Wage Type Classes V_T52D7
- Customizing: Model Wage Types V_T52DZ
- Cumulation (by calendar) V_T54C3
- Time Constraints V_T591B

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Payroll Schema and Rules

Payroll Schema and Rules
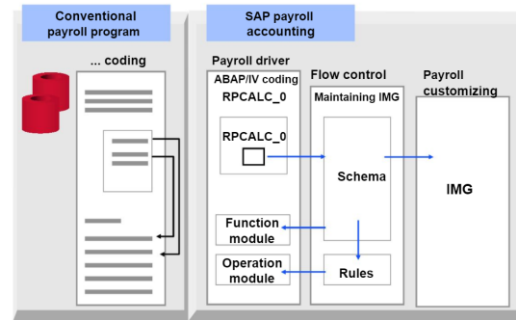
- A customer-defined schema and the functions included in that schema affect flow control in the payroll driver. A function calls the function module assigned to it in the payroll driver. Certain functions also call personnel calculation rules containing operations that are linked to operation modules in the payroll driver.

- During the payroll run, function and operation modules access entries stored in Customizing tables.

Payroll Schema

Payroll schema: INTERNATIONAL Gross wage calculation
and transfer

XIN0	Initialization of payroll
XBD0	Edit basic data
XLR0	Import last payroll results
XT00	Process time data for Payroll
XAP9	Import additional payments/deductions
XAL9	Partial period factoring and storage
XNA9	Cumulate net amount/form payment amount
XRR0	Retroactive accounting
XNN0	Net payments/deductions and transfers
XEND	Final processing

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- To run the payroll program, you require a payroll driver and a payroll schema. The payroll schema defines the processes carried out by the payroll driver and ensures that the program gathers all the data required to run payroll for an employee in a specified period.

Maintaining Schemas – PE01

Personnel Calculation Schemas: Initial Screen

Schema Z999 S accounting schema for RPCALCU0

Create

Subobjects
- Source text
- Attributes
- Documentation

Display   Change
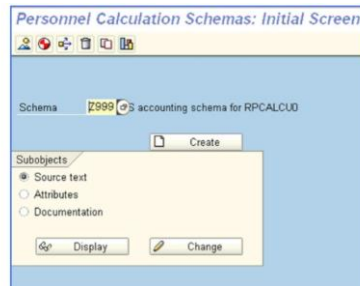
- The schema editor (transaction PE01) enables you to display and maintain schemas.
- When displaying a source text, you can choose between **tables** and **structural graphics**.
- The personnel calculation schema editor enables you to carry out the following activities:
  - Display and print schema directory
  - Compare source text from schemas
  - Copy schemas
  - Change schema elements
  - Create schemas

Schema Attributes

Choose language	
Main or subschema	Country-specific or all countries
Limit change access	

Edit Schema: Attributes

Documentation

Schema   U000   US accounting schema for RPCALCU0

Attributes
Program class   C   Payroll
Country grouping   10   USA
☑ Schema can be executed

Person responsible   SAP
☐ Changes only by person responsible

Administrative info
Created on   10.04.1992
Last changed by   SAP   on 27.06.2000 at 16:50:24
Version   68

- Attributes store administrative data on schemas.
- The program class determines how the schema is used (C = Payroll, T = Time Management).
- The HR country grouping defines the country versions for which the schema is valid.
- If you flag **Changes by person responsible only**, the schema elements (source text, attributes, documentation) can only be changed by the person responsible for them.

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Functions and rules in schema

COM	Payroll schema:	INTERNATIONAL
COM		Gross wage calculation
COM		and transfer
COPY	XIN0	Initialization of payroll
COPY	XBD0	Edit basic data
COPY	XLR0	Import last payroll result
COPY	XT00	Gross remuneration (Time Management)

Parameters

BLOCK	BEG		Import last payroll result
COM			Last payroll results
IMPRT	L		Import last result
PRINT	NP	ORT	Print ORT after import
PORT	X006	P06 NOAB	Transfer relevant data to LRT
ACTIO	X402		Processing /A67
BLOCK	END		Import last payroll result

Personnel calculation rule X006

Operation	Operation	Operation

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- A schema consists of a sequence of **functions** . Functions retrieve and process the data required for each processing step.
- Certain functions call a **personnel calculation rule** . The relevant calculation rule processes the data retrieved by functions. A personnel calculation rule consists of separate operations and always processes logical units.

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Maintaining Schemas

Maintain schema PE01

Decision tree

Edit Schema: U000 ❶

	Func.	Par1	Par2	Par3	Par4	D	Text
000010	COPY	UIN0					US Payroll: Initialization of payroll
000020	COPY	UODP				*	On-demand regular (no need after 4.5A)
000030	COPY	UBD0					Basic data processing
000040	COPY	UPR0					Read previous result of current period
000050	COPY	ULR0					Import previous payroll results
000060	COPY	UM00					Determine payroll modifiers
000070	COPY	UT00					Gross compensation and time evaluation
000080	COPY	UREI				*	Travel expense
000090	BLOCK	BEG					Gross cumulation and tax processing

❶ Schema name
❷ Command line
❸ Line number
❹ Function
❺ Parameters 1-4
❻ Deactivate function
❼ Text

Functions used in Schemas

Functions that import infotype data:
WPBP	Work center and basic pay data
RAB	Absences
P0015	Additional payments
P2010	EE remuneration information

Functions that process data according to the entries in Customizing tables:
PAB	Absence valuation

Functions that edit wage types using personnel calculation rules:
PIT	Process input table

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- You can display documentation on a function by pressing F1.
- Functions within a schema are processed sequentially.
- Data processing for employee wage types takes place in internal payroll tables. To process such data, certain functions access an assigned personnel calculation rule that can be adjusted if necessary.

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Maintaining Personnel Calculation Rules – PE02

Personnel Calculation Rules : Initial Screen

Rule   UMOD   Modifiers for payroll accounting

Create

Subobjects
- ● Source text
  - ES grouping   1
  - Wage/time type   * * * *
- ○ Attribute
- ○ Documentation

Display   Change

Rule Editor

Maintain calculation rule: Z015

Z015 Valuation of time wage types
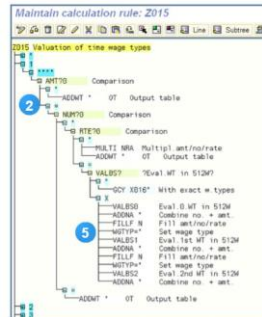
| | Sequence number |
| 1 | |

| | Variable key |
| 2 | |

| | Next line indicator |
| 3 | |

| | Rule type |
| 4 | |

| | Operations |
| 5 | |

- Structural graphics display the source text as lines and nodes linked in a hierarchical structure. You can display and change source text in this mode.
- The source text elements and decision operations are color-coded. Decision operations are displayed in a color different to the one used for the other operations.

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Access – Key functions and rules

- ACTIO Perform Rule
- MOD Set Modifiers
- P0009 Import Bank Details
- P0014 Import Recurring Payments/Deductions
- P0015 Import Additional Payments
- P0221 Import Payroll Results Adjustments
- P0267 Import Additional Payments Off Cycle
- P2010 Import Employee remuneration Information
- PALP Process Alternative Payment Table

- PDT Process Differences table
- PIT Process Input Table
- PLRT Process Last Results Table
- PORT Transfer of Data from Previous Period
- PRART Process Old Arrears Table
- PRT Process Results Table
- PTCRT Process Tax Cumulated Results Table
- PZL Process Time Wage Types Table
- UMOD Set US Tax Modifiers

Key Payroll infotypes

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Key Payroll Infotypes

- IT 0008 (Time Recording Info)
- IT 0009 (Bank Details)
- IT 0014 (Recurring Payments)
- IT 0015 (Additional payments)
- IT 0057 (Membership Fees)
- IT 0267 (Off cycle Payments)

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Basic Pay (IT 0008)

- Used to store the employee's current basic pay and basic pay history

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Recurring Payments deductions (IT 0014)

- Recurring Payments & Benefits may be in the form of allowances made to an employee in addition to their base pay.

- Allowances can be recurring (regular payments to an employee) or ad-hoc (once off irregular payments).

- Deductions are funds that are taken from an employee's pay and forwarded to a deduction authority e.g. health fund payments. Depending on the type of allowance or deduction, both can be entered in the Recur. Payments/Deductions.

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Additional payments – IT 0015

Display Additional Payments

Pers.No.	100400		Name	Testing Praneeth kumar
Pers.area	ANDH Andhra Pradesh		Cost Ctr	7600-DUMMY 7600-DUMMY
EE subgrp	22 Senior Executive		WS rule	MHPE
			Chgd	01.04.2014 AITSHR

Additional Payments

Wage Type	4100	Variable Pay
Amount		5,000.00 INR
Number/unit		0.00
Date of origin		28.02.2014
Default Date		00
Assignment Number		
Reason for Change		
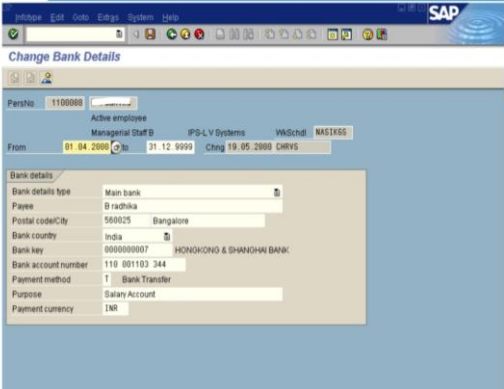
This Info type is used to pay a specified amount in a single pay period. Additional Payments are classified as allowances that are once-off types of payments e.g. .bonus payments that are made at a particular time of the year. Certain types of deductions can also be set up in Additional Payments, .

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Bank details – IT 0009

- In this, we capture the bank details of an employee.

Membership Fees – IT 0057

- In this Infotype, we capture all the membership details of an employee.

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Off cycle Payments – IT 0267

- Info type 0267 for capturing Off cycle payments
- Off cycle for Bonus type runs have been enabled
- Professional Tax computation for bonus payments in off cycle is considered
- Tax on bonus can be computed using different methods
- Reimbursements can be paid in off cycle payments using claims module

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