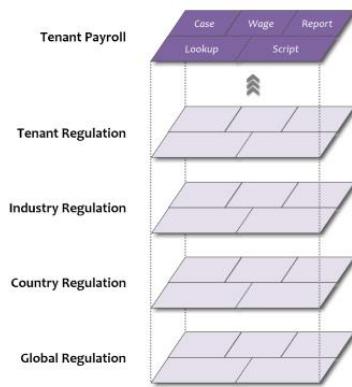# Regulations for wage calculation

Standardization of wage calculation through regulations

A central aspect of the complexity of wage calculation is the fact that wage information comes from different sources. Due to the lack of standards in wage calculation, it is the task of the wage software to standardize and integrate the wage data. It is even more difficult for the software house to maintain a wide range of expert knowledge. Extraordinary and short-term regulatory changes bring wage software producers to their realization limits.

To reduce this complexity, Payroll Engine has formalized the wage definition in regulations, which are separated from the software core and distributed among the involved parties/sources. The overlay of the regulations results in the client-specific wage calculation. The regulations contain the basic elements of data processing (IPO model: input, processing, and output) of the wage-relevant information.

Data is entered via the ruleset object *Case*, which manages the case data in fields. For example, the employee case "Address change" contains the fields Street, Postal code, and City. Dependencies between cases can be used to split and map complex cases such as employee entry.

Wage data is processed in the wage run using the *wage type* and *collector* rule objects. The wage types are calculated in numerical order. The wage type result is transferred to specific collectors which determine the aggregated wage data (e.g., wage bases).

The *Report* rule object, which converts the payroll run results into documents or interface data, is used for data evaluation. In addition to wage data, evaluations of case data are also possible.

The *Lookup* ruleset object manages the additional information required for input and processing, such as pay scale and tax tables. The script includes calculation functions such as determining the tax class based on various criteria.

A decisive advantage of the regulations layer model is the scalable adaptation and extension of the wage definition. Each object in a client set of rules can be modified or extended with a new set of rules objects. For example, the entry case of an employee can be extended to include the selection of company-specific insurance. Multilingual designations allow the regulations to be used in different languages.

With the availability date in the regulations, software updates (e.g., tariff changes) can be easily scheduled. The regulations relevant at the time are used for back calculations and forecast calculations.

Standardizing payroll accounting in regulations manifests payroll accounting know-how and creates a system for exchanging and reusing regulations between different countries, industries, and customers.