Cause	Solution
	2. Ensure that your role on the location hierarchy is in a security group that has access to the *Worker Data: All Positions* domain.

Compensation

Components: Elements and Eligibility Rules

Steps: Set Up Compensation Components

Context

Configure compensation frequencies, elements, and eligibility rules for your organization.

Steps

1. Create Frequencies on page 896.

   Define frequencies for use in compensation and payroll calculations.
2. Access the **Maintain Units of Measure** task.

   Define the units of measure for compensation plans with unit-based targets.

   Security: *Set Up: Unit of Measure* domain in the Common Financial Management functional area.
3. Create Compensation Elements on page 897.

   Compensation elements establish the link between compensation and payroll.
4. Create Compensation Packages on page 958.
5. Create Eligibility Rules for Compensation on page 902.

   Define the rules that determine the employee groups eligible for compensation plans.
6. Assign Compensation Components to an Eligibility Rule on page 904.

   Assigning compensation components to an eligibility rule enables Workday to automatically populate default compensation values during business processes under certain conditions.
7. (Optional) Steps: Manage Compensation Basis on page 1044.
8. Set up security:

   - Segmented security: Set Up Segmented Security by Compensation Plans on page 962.
   - Intersection security:

     Note: Workday doesn't recommend using intersection security for Compensation because it doesn't apply to all situations. One case where Workday can't evaluate intersection security is exclusion criteria, which depend on organizations. Many compensation components, including plans, grades, and pay ranges aren't associated with organizations. Managers can't have security over compensation components through organizations and roles the way they can for employees.

Related Information
Reference
Reference: Compensation Plan Comparisons on page 977

Create Frequencies

Prerequisites

Security: *Set Up: Compensation General* domain in the Core Compensation functional area.

Context

You can maintain existing or create new frequencies for compensation and payroll calculations. Frequencies determine the number of occurrences (or units) in a year that Workday uses to calculate annual compensation.

Workday delivers a set of frequency types, including *Hourly* and *Semi-Monthly*. Each frequency requires an **Annualization Factor** that is greater than zero and specifies the number of occurrences in a year. Some frequencies, such as *Bi-weekly* and *Semi-monthly,* match pay cycles while other frequencies, including *Hourly* and *Annual*, don't. Examples:

- *Annual*: 1 time in a year.
- *Bi-weekly*: Every 2 weeks or 26 times in a year.
- *Semi-monthly*: 2 times every month or 24 times in a year.

You can modify these or add your own as needed. If the standard number of working hours differs by location, you can create a different hourly frequency for each location.

Steps

1. Access the **Maintain Frequencies** task.
2. As you complete the task, consider:

Option	Description
Annualization Factor	The number of units (occurrences) in a year. Workday uses the annualization factor to calculate annual compensation. You can enter up to 6 decimal places. The default annualization factor for *Hourly* is 2080, which equals the number of work hours in a year in the USA (40 hours each week * 52 weeks). Other locations might have different annualization factors for *Hourly*. Examples: • 1664 (32 hours each week * 52 weeks). • 1920 (40 hours each week * 48 weeks).
Use Weekly Hours	For *Hourly* frequency types. If selected, Workday uses the scheduled hours each week when calculating annual pay. Using weekly hours affects how Workday evaluates grade range penetration for an hourly worker, which is based on the annual equivalent of hourly pay. If cleared, Workday calculates the annual equivalent. If you use Workday Payroll, select this check box as a best practice for hourly workers. If you clear **Use Weekly Hours**, Workday might treat part-time, hourly workers as full-time. Example: For Commitments and Obligations, Workday might create commitments for part-time, hourly workers.
Used in Payroll Interface	Select the check box to make a frequency definition available for use in positions, earnings, and deductions that you set up for external payroll.

Example

Example: You schedule a worker to work 20 hours each week at 10 USD an hour. If you:

- Select **Use Weekly Hours**, Workday calculates the annual equivalent by multiplying hourly pay (10) by the scheduled weekly hours for the worker (20), then by the *Weekly* **Annualization Factor** (52):

  ```
  10 USD * 20 hours * 52 weeks = 10,400.00 USD annual equivalent
  ```
- Clear **Use Weekly Hours**, Workday multiplies hourly pay (10) by the *Hourly* **Annualization Factor** (2080):

  ```
  10 USD * 2080 hours = 20,800.00 USD
  ```

  Workday treats the worker as full-time instead of part time.

Create Compensation Elements

Prerequisites

- Create the earning codes that you want to associate with the base pay compensation elements:
  - Create earnings in Workday Payroll.
  - Maintain external payroll earnings for the Payroll Interface.
- Security: *Set Up: Compensation Elements* domain in the Core Compensation functional area.

Context

Compensation elements link compensation and payroll. When a compensation element is attached to a plan that is assigned to an employee, Workday can determine which earnings to use to pay the employee.

Steps

1. Access the **Maintain Compensation Elements** task.

   You can also access the **Add Compensation Element** task to add 1 element at a time for best performance when your compensation elements have a high number of Payroll entities.
2. Consider:

Option	Description
Period Activity Pay Enabled	Displays if the **Enable Period Activity** check box is selected in the **Educational Institutions** section of the **Edit Tenant Setup - HCM** task. Compensation elements enabled for Period Activity Pay aren't available for standard compensation plans.
Academic Pay Enabled	Displays if the **Enable Educational Institution Features** check box is selected on the **Edit Tenant Setup - HCM** task. Select the check box if this compensation element can be paid in a different period than the period it was earned in.
Payroll Earning	Select the values that apply to all your payroll entities.
External Payroll Earnings	Select the earnings that apply to each payroll entity.

Next Steps

You can use **Maintain Compensation Element Groups** task to group compensation elements. If you've more than 1 compensation element that defines base pay, create a compensation element group to associate base pay compensation elements.

Related Information
Tasks
Steps: Create Earnings
Steps: Set Up Compensation Components on page 895
Manage External Payroll Earnings
Map Earnings to Compensation Elements

Setup Considerations: Compensation Eligibility Rules

You can use this topic to help make decisions when planning your configuration and use of compensation eligibility rules. It explains:

- Why to set them up.
- How they fit into the rest of Workday.
- Downstream impacts and cross-product interactions.
- Security requirements and business process configurations.
- Questions and limitations to consider before implementation.

Refer to detailed task instructions for full configuration details.

What It Is

Eligibility rules define dynamic lists that group employees based on their attributes, such as location, management level, position, or job profile. Worker attributes change as they progress through their career and receive promotions, transfer departments, or change locations. You create eligibility rules with attributes and condition rules and logical relations between them.

Example: Sam works in the Portland office and is eligible for an allowance plan based on an eligibility rule that uses the Portland location. Sam then transfers to Amsterdam. The Portland-based eligibility rule no longer applies, but eligibility rules based on the Amsterdam location that do.

Business Benefits

Eligibility rules:

- Save time and increase consistency by automatically populating compensation values in business processes like *Offer*, *Hire*, and in compensation reviews.
- Eliminate time-consuming and error-prone manual maintenance of static employee lists. Static lists are often based on employee attributes, so targeting the attributes is more direct and flexible.
- Make it easier to meet regulatory or business requirements.

Use Cases

- Roll out (assign) or remove compensation plans to employee populations. Example: Roll out the same compensation plan to all nonmanagement employees, except employees in selected departments.
- Assign salary plans based on management level, location, or both.
- Propose compensation during the *Offer*, *Employment Agreement*, and other business processes.
- Assign severance plans based on number of years of service.
- Define the compensation plans or plan profiles that apply to job requisitions.

Questions to Consider

Question	Considerations
Do you configure default compensation on positions?	Workday uses default compensation, if configured on the position, to populate compensation values in business processes such as *Hire*. If you don't configure default compensation on positions, Workday uses eligibility rules. You can assign compensation components (plans, grades, and packages) to eligibility rules on the **Assign Compensation Components to Rule** task. Doing so enables Workday to populate compensation values during business processes under certain conditions. Example: During the *Hire* process, Workday searches for compensation values from previous employment, *Offer*, the job requisition, and the position. If unsuccessful, Workday derives compensation values from the eligibility rules associated with compensation components.
What criteria do you use to assign compensation plans to employees?	Design your eligibility rules around these criteria. You can then roll out (assign) plans to specified populations.
What employee populations do you target for periodic merit, bonus, and stock awards?	Compensation reviews require that you specify merit, bonus, or stock plans. Workday includes employees assigned to those plans in the compensation review process and doesn't use eligibility rules directly. When configuring compensation eligibility rules, consider your periodic compensation reviews and their target populations.
Do you assign grade profiles manually?	You can create eligibility rules for grade profiles and compensation plan profiles to ensure automatic and accurate updates on positions and employees.
How should Workday assign eligibility rules to compensation plan profiles?	You can access the **Edit Tenant Setup - HCM** task and in the Compensation section, select the **Enable Eligibility Rule Performance Enhancement for Compensation Plan Profiles** option. • If selected, Workday stops evaluating compensation plan profiles when it finds the first profile the employee is eligible for. If an employee isn't eligible for any plan profiles, Workday uses the default plan target. **Note:** Selecting this option is permanent. You can't clear or undo your selection after you submit. • If not selected, Workday evaluates all plan profiles. If an employee is eligible for only 1 plan profile, Workday uses it. If an employee isn't eligible for any plan profiles or is eligible for more than 1, Workday uses the default plan target. Workday recommends that you plan and create eligibility rules to be mutually exclusive and don't target overlapping populations of employees.
How do you want Workday to handle eligibility rules based on Guidelines fields when you change a Guidelines field manually?	You can configure Workday to apply compensation defaulting to compensation plan assignments on the business processes when you both: • Base eligibility rules on Guidelines fields. • Change any field in the Guidelines section that the eligibility rules are based on. Access the **Edit Tenant Setup - HCM** task and, in the **Compensation** section, configure the **Enable Defaulting Based on Changes to**

Question	Considerations
	Guidelines option for relevant business processes. See Reference: Edit Tenant Setup - HCM.

Recommendations

Workday recommends that you design, create, and maintain eligibility rules like a software development project:

Recommendation	Description
Organize and Plan	• Build a team to design, plan, and manage the development, deployment, and use of your eligibility rules. • Develop procedures for creating, testing, approving, and managing eligibility rules. • Document your work. Doing so makes it easier to identify problems if they arise and also helps Workday Support to diagnose issues.
Design	• Develop a list of the employee groups based on your needs. Example: Assess your needs for assigning compensation plans, packages, and components. • Compile the list of attributes that you need for configuring eligibility rules, such as location or management level. • As a best practice, build mutually exclusive eligibility rules that don't overlap each other. Too many eligibility rules might make maintenance difficult and affect performance. • Ensure that your rules are exhaustive so that all employees fall into at least 1 eligibility rule.
Develop	• Create enough eligibility rules to meet your needs, but not so many that managing them is burdensome or performance suffers. When you run eligibility rules for business processes like *Hire*, the more rules, the more processing time. • Use Workday-delivered fields. • Name eligibility rules so that the intended target population is evident. Example: Create an eligibility rule with MBT in the name specifically for use as part of a compensation basis with the **Manage Basis Total** check box selected. Or, add Amsterdam for a location-based eligibility rule used for employees located there.
Test	• Test each eligibility rule upon initial creation and whenever you change them. • If you discover issues with eligibility rules, record the exact conditions under which they occur. Update your documentation and testing procedures accordingly.
Iterate	When your needs change along with changes to your operations, return to the organization and planning phase to determine how eligibility rules can address your needs. Even the best testing procedures can sometimes miss issues that only occur with a specific configuration. When issues arise during production operations, determine if the issue resulted from design or implementation. Update your testing procedures accordingly.

Requirements

Workday requires compensation eligibility rules for compensation defaulting and to ensure that employees get assigned the appropriate compensation components.

Limitations

No impacts.

Tenant Setup

No impacts.

Security

Set Up: Compensation Rule domain in the Core Compensation functional area.

Business Processes

No impacts.

Reporting

Access the **Compensation Eligibility Rules** report to list the conditions, compensation components, and job profiles for selected eligibility rules.

Integrations

No impacts.

Connections and Touchpoints

Compensation eligibility rules interact with Workday Recruiting.

Features	Considerations
Positions and job requisitions.	If you've configured default compensation on positions, Workday populates compensation values from the position. Otherwise, Workday uses eligibility rules. Design eligibility rules to fill in for positions or job requisitions where there's no default compensation.
Workday Recruiting.	Workday derives compensation values on the *Offer* or *Employment Agreement* from the job requisition. However, if Workday can't find compensation values, it uses eligibility rules.

Workday offers a Touchpoints Kit with resources to help you understand configuration relationships in your tenant. Learn more about the Workday Touchpoints Kit on Workday Community.

Related Information
Tasks
Create Eligibility Rules for Compensation on page 902
Roll Out Compensation Plans to Employees on page 942
Steps: Propose Compensation for Employees or Positions on page 947
Steps: Set Up Locality Pay Areas on page 1034

Reference

FAQ: Compensation Defaulting on page 953
FAQ: How is Total Eligible Earnings calculated? on page 1108
Reference: Edit Tenant Setup - HCM

Create Eligibility Rules for Compensation

Prerequisites

• Set up objects, such as job profiles or locations that form the basis for eligibility rules.

•

• Security: *Set Up: Compensation Rule* domain in the Core Compensation functional area.

Context

You can configure eligibility rules that determine eligibility for compensation components, including compensation plans, grades and grade profiles, and packages. Workday can then use eligibility rules to automatically populate values in some processes. Examples:

• When proposing compensation during the *Offer* or *Employment Agreement* business processes.
• When creating a job requisition.
• When you assign, roll out, or remove a new or updated compensation plan to employees defined by an eligibility rule.
• When creating a referral one-time payment.

Steps

1. Access the **Create Compensation Eligibility Rule** task.
2. (Optional) Select rules, one at a time, from the **Copy Condition from Rule** list.

   You can use the related actions menu to view details about the conditions.

   Workday creates a row in the **Rule Conditions** grid for each rule that you select and populates the **Source External Field or Condition Rule** column.
3. For each rule condition, consider:

Option	Description
And/Or	If 2 or more rule conditions exist, select *And* or *Or* to control how each relates to the preceding line. Workday evaluates the expression to be true when: • All conditions in an expression connected by *And* are true. • At least 1 of the conditions in an expression connected by *Or* is true.
( )	Use the parentheses columns when you need 3 or more rows connected by *And* and *Or*. Example: To state (**a** and **b**) or **c** add: • An opening parenthesis at the beginning of statement **a**. • An *And* at the beginning of statement **b**. • A closing parenthesis at the end of statement **b**. • An *Or* at the beginning of statement **c**.
Source External Field or Condition Rule	Select 1 option from delivered Workday sources or from condition rules that you've defined.

Option	Description
	The type of field or condition rule you select determines other available options.
Relational Operator	Options depend on the data type: • A `contains` operator applies to text but not numeric data types. • A `less than` operator applies to numbers or currency, but not text.
Comparison Type	Specify whether to compare the source to another field or to a value you enter.
Comparison Value	Select a comparison field or enter a value to compare to the source.
Order	Use arrows to control the order in which Workday processes the statements.

Result

When you assign compensation components to employees, the eligibility rules determine which ones are available for selection in the **By Compensation Rule** prompt folder.

Example

You require that an employee is eligible when both rule conditions **a** and **b** are true, or if rule condition **c** is true. In short, if (**a** and **b**) or **c** are true.

Assume also that:

• **a** means that Location equals Paris.
• **b** means that Job Exempt is true.
• **c** means that Job Family is Executive.

The employee is eligible or not eligible under these conditions:

• Eligible if Location is Paris and Job is Exempt.
• Not eligible if Location is Paris but Job is non-Exempt.
• Not eligible if Location is Pleasanton and Job is Exempt.
• Eligible if Job Family is Executive.
• Not eligible if Job Family is Individual Contributor.

Next Steps

• Access the **Assign Compensation Components to Rule** task to assign eligibility rules to compensation components.
• Run the **Compensation Eligibility Rules** report to verify details.

Related Information
Tasks
Steps: Propose Compensation for Employees or Positions on page 947
Create Business Process Condition Rules
Reference
FAQ: Compensation Defaulting on page 953
2023R1 What's New Post: Eligibility Rule Plan Profile Processing

Assign Compensation Components to an Eligibility Rule

Prerequisites

- Define the compensation components to assign to the eligibility rule.
- Security: *Set Up: Compensation Rule* domain in the Core Compensation functional area.

Context

You can assign compensation components to a compensation eligibility rule. Doing so enables Workday to automatically populate default compensation values during business processes under certain conditions.

Example: During the *Offer* and *Employment Agreement* business processes, Workday attempts to derive compensation values from the job requisition. If there is no job requisition, Workday derives values from the eligibility rules associated with compensation components.

Note: You can also assign eligibility rules to a compensation component when you create or edit the component.

Steps

1. Access the **Assign Compensation Components to Rule** task.
2. Select the **Compensation Packages**, **Compensation Grades**, **Compensation Grade Profiles**, and **Compensation Plans** that you want to associate with the rule.

   Workday displays those components already assigned to the rule.

Grades and Grade Steps

Steps: Set Up Compensation Grades and Grade Steps

Prerequisites

Set up compensation elements and eligibility rules.

Context

Configure and manage compensation guidelines:

- Grades, pay ranges, and grade profiles.
- Grade steps and adjustments to them.
- Grade step progression schedules.

Steps

1. Create Compensation Grades on page 905.

   Create compensation ranges for jobs and job profiles.
2. Create Compensation Grade Steps on page 907.

   Create the grade steps that assign specific monetary amounts to workers. Configure the length of time that workers must remain in a step before progressing.
3. Set Up Adjustments to Compensation Steps on page 909.

   Make adjustments to compensation steps associated with a compensation grade. Workday automatically adjusts the amount for all employees with those steps.
4. Create a Compensation Grade Hierarchy on page 910.

   Create a superior-subordinate relationship between grades.

5. Set Up Automatic Compensation Grade Step Progression Schedules on page 911.

Configure automatic compensation grade step progression schedules to ensure that regulatory or workplace policies for step progression occur on time.

6. Request Grade Change on page 913.

Request a change in grade for an employee.

7. Set Up Adjustments to Compensation Grades Assigned to Job Profiles on page 913.

Update the grade assigned to a job profile or to employees in that job profile.

Related Information
Reference

Reference: Compensation Grade and Pay Range Security on page 918

Reference: Compensation Step and Grade Progression Reports on page 919

Create Compensation Grades

Prerequisites

- Set up compensation elements and eligibility rules.
- Create eligibility rules for compensation.
- Create frequencies.
- Security: *Set Up: Compensation Packages* domain in the Core Compensation functional area.

Context

Grades define the standard compensation range for a given job or job level. You can associate more than 1 compensation basis and pay range to a grade.

Steps

1. Access the **Create Compensation Grade** task.

2. Consider:

Option	Description
Pay Range Segments	Enter 3, 4, or 5 to define the number of segments you want the pay range broken into.
	Example: If the pay range is 45,000 - 100,000 USD and you select 3, then the 3 Workday calculated segments are:
	• 45,000 - 63,333 USD
	• 63,333 - 81,666 USD
	• 81,666 - 100,000 USD
Use Grade Profiles	Select this check box if you want to use eligibility rules to create more granular compensation ranges within the grade.
	Example:
	• Default range = 45,000 USD - 100,000 USD

Option	Description
	• New York range = 55,000 USD to 120,000 USD

If you selected both of these check boxes:

- **Apply FTE%** on the salary plan.
- **Use 100% FTE for Pay Range Comparisons** in the Compensation section on the **Edit Tenant Setup - HCM** task.

Workday divides the employee salary by the FTE % before comparing it to the salary range midpoint when calculating these fields:

- **Compa-Ratio**
- **Position in Range**
- **Pay Range Segment**

3. In the **Default** section, consider:

Option	Description
Base Pay Elements	Select the compensation elements you want to associate with this grade. Workday only includes hourly, salary, and allowance plans categorized as base pay to calculate compa ratio and target penetration.
Eligibility Rules	Select 1 or more rules to use to determine who is eligible for this compensation component or plan. When you assign compensation to employees, the eligibility rules determine whether this component is available for selection in the **By Compensation Rule** prompt folder. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the compensation component. Employees are eligible if they meet the qualifications of any 1 rule. You can only use individual rules once in the grade and grade profiles.

4. Enter default compensation pay ranges in the **Compensation Pay Range** tab and consider:

Option	Description
Calculate Segments	Select this check box if you want Workday to calculate the values for the segment tops in equal amounts and the midpoint. When selected, only the **Minimum** and last segment top fields are available for entry. Once you enter these fields, Workday automatically calculates the other segment tops and midpoint.
Segment # Tops	This is the top value for the segment. The last segment top is the maximum value for the range.
Midpoint	You can enter the midpoint when the **Calculate Segments** check box is cleared. Workday uses the *Use Calculated 50%* option to calculate compa ratio instead of the value you enter here when you: • Change the midpoint to be anything other than 50% of the range, and

Option	Description
	• Have the *Use Calculated 50%* option selected for **Compa-Ratio Midpoint** field on **Edit Tenant Setup - HCM**.

5. (Optional) If you selected the **Use Grade Profiles** check box, enter your grade profiles in the **Compensation Grade Profiles** tab.

   A grade profile must have a pay range associated with Total Base Pay. You can't change the number of pay range segments for profiles, the number is the same as the grade defaults.

   You can drill down to details on any job profiles that reference this grade.

   Grade profiles don't display if their number exceeds 250.

Result

Workday uses grades to calculate compa-ratio and pay range segments. Grades are guidelines used in determining compensation for a worker.

If proposed compensation for an employee extends beyond the limits of the reference pay range for the employee's grade or grade profile, Workday issues a warning but permits submission of the proposed compensation. Reviewers and approvers can then evaluate whether to approve the proposal.

Next Steps

To associate a grade to a job profile, use the **Create** or **Edit Job Profile** tasks.

Create Compensation Grade Steps

Prerequisites

• Create compensation grades.
• Security: *Set Up: Compensation Steps* domain in the Core Compensation functional area.

Context

A step is a specific point in a compensation grade or grade profile salary range associated with an interval, period, and optionally a step progression rule. Steps, like compensation plans, assign a specific monetary amount to a worker.

If you assign a grade profile to a worker's compensation package, Workday uses the steps on the grade profile, not the steps on the grade.

Steps

1. Access the **Maintain Compensation Steps** task.
2. Select the **Assign 1st Step During Compensation Proposal** check box to assign the first compensation step to workers associated with their grade or grade profile when hired.

   If selected, Workday assigns the first compensation step when all these conditions are true:

   • The worker has an eligible compensation grade.
   • The grade has compensation steps.
   • The worker either doesn't have a step assigned or doesn't have a step in the grade assigned.

3. In the **Grade Profile Steps** tab, consider:

Option	Description
Salary Pay Plan	Select the salary or hourly plan you want to associate with these steps.

Option	Description
Allow Override	Select this check box to allow the overriding of the step values in a specific worker's compensation package.

4. In the **Steps** section of the **Grade Profile Steps** tab, consider:

Option	Description
Inactive	Select to mark this step as inactive. Inactive steps are skipped in automatic step progression, and can't be selected during compensation events.
	You can have duplicate inactive steps; however, only 1 step that shares a **Name** or **Sequence** value with another step can be active at a time. When you reactivate a previously inactive grade or grade profile, all associated steps with a unique **Name** and **Sequence** will reactivate. Duplicate steps will remain inactive.
	Example: when performing an annual update, some of your compensation steps must be retired. Rather than rebuilding a new grade profile to exclude the retired steps, you simply mark the step as Inactive.
Sequence	Identifies the step progression order for workers assigned to the grade or grade profile.
	Enter any unique and sortable character string, such as 1-2-3 or A-B-C.
	Workday sorts the sequence by character. So if you use numbers, use 01 for 1, 02 for 2, and so on. Otherwise, 11 precedes 2 and 21 precedes 3.
Interval and Period	Define the length of time that workers must remain in the step before progressing to the next step in the grade.
	The interval must be a positive whole number, such as *6 Months* or *2 Years* or *13 Weeks* or *30 Days*.
(Optional) Progression Rule	Select an eligibility rule for Workday to use to progress workers. The rule on the current step must be true for workers to progress to the next step.
	Examples: Age, length of service, job profile, or collective agreement.
Grace Period Interval and Grace Period Type	The number of hours or workweeks a worker can accumulate applicable time off or leave before Workday adjusts their **Next Step Progression Target Date**.
	See Set Up Time Off and Leave Impact on Step Progression.

5. (Optional) In the **Grade Profile Steps** tab, you can define a step on a profile.

If there are no profiles associated with the selected salary pay plan, then you can't add grade profile steps.

When a worker matches the eligibility rules on the grade profile, Workday uses the values associated with the grade profile steps, not those on the **Grade Steps** tab.

Result

To view the compensation step assigned to the worker, select **Compensation** > **View Compensation** as a related action off the worker.

Next Steps

Assign steps to employees as part of staffing transactions based on your compensation package and compensation defaulting rules.

Related Information
Tasks
Set Up Automatic Compensation Grade Step Progression Schedules on page 911
Reference
Reference: Edit Tenant Setup - HCM

Set Up Adjustments to Compensation Steps

Prerequisites

- Configure the *Set Up Compensation Step Adjustment* business process to meet your organization's needs.
- Create compensation steps.
- Define reasons for the *Request Compensation Change* event using the **Maintain Event Categories and Reasons** task.

Context

You can make adjustments to compensation steps associated with a compensation grade. Workday automatically adjusts the amount for all employees with those steps.

Steps

1. Access the **Set Up Compensation Step Adjustment** task.
2. Select the compensation grade.

If the grade you want to adjust already has an adjustment in progress, the grade won't be available for selection.
3. Select the allowed actions for **Employees using Default** and **Employees using Override**.

Option	Description
Adjust to New Defaults	Applicable to **Employees using Default** and **Employees using Override**. Workday sets the assigned value to the new default.
Adjust by Same Amounts	Applicable to **Employees using Override**. Workday calculates the difference between the old default and the new default. Workday adjusts

Option	Description
	the employee's assigned value by that same difference.
	For example, the old default was 500 and the new default is 600, which equals a difference of 100. The employee's override amount was 700. The adjustment to the employee's assigned value would be 700 + 100 = 800.

4. In the **Grade Steps** tab, enter the **New Amount** for the step that replaces the **Old Amount**.

5. In the **Grade Profile Steps** tab, enter the **New Amount** for the step that replaces the **Old Amount**.

Result

If you included a review step in the business process definitions, the reviewer completes the same steps and either approves, denies, or sends back the request to the proposer.

Once approved, the process:

- Updates the compensation grade steps with the new defaults so that future grade assignments have the new values.
- Creates compensation events with new values for each impacted employee.

Next Steps

To correct a future dated compensation event, correct or rescind the event and then reprocess it after you run the adjustment process.

Related Information
Tasks
Create Compensation Grade Steps on page 907
Set Up Automatic Compensation Grade Step Progression Schedules on page 911

Create a Compensation Grade Hierarchy

Prerequisites

- Create compensation grades.
- Security: *Set Up: Compensation General* domain in the Core Compensation functional area.

Context

You can create a single superior-subordinate relationship between grades. Example:

Level 1	CEO	CFO	CIO
Level 2	VP Finance	VP Human Resources	VP Sales
Level 3	Manager Engineering	Manager Recruiting	Manager Research
Level 4	Receptionist	Support Analyst	Salesperson

Note: You can also use the *Put Compensation Grade Hierarchy* web service to create or edit your grade hierarchy.

Steps

1. Access the **Maintain Compensation Grade Hierarchy** task.

2. Create your grade structure.

Option	Description
Order	This is the grade level. 1 is the highest level.
Compensation Grades	Enter all grades you want associated with the grade level.

Related Information
Tasks

Set Up Automatic Compensation Grade Step Progression Schedules

Prerequisites

- Create compensation steps and their progression sequence for your grades and grade profiles.
- Security: *Process: Automatic Step Progression* domain in the Core Compensation functional area.

Context
Administrators can configure automatic compensation grade step progression schedules to ensure that regulatory or workplace policies for step progression occur on time. As a best practice, Workday recommends that you schedule the **Employee Compensation Step Progression** and **Employees Eligible for Next Compensation Step** reports to run at the same time as the step progression process. Doing so identifies the employees participating in parallel compensation events that can prevent them from progressing to the next step.

Steps

1. Access the **Schedule Automatic Step Progression** task.
2. Select a **Run Frequency** to determine when and how frequently to automatically progress your employees to the next step.
3. On the **Schedule** tab, enter the applicable scheduling options, which vary depending on the selected **Run Frequency**.

   This tab doesn't apply to the *Run Now* option.

Option	Description
Daily Recurrence	How frequently the process runs in the **Recurs Every x Day(s)** field. The number you enter must range from 1 through 366.
	Example: To schedule a recurrence for every day, enter 1; for every other day, enter 2.
	You can select **Recurs Every Weekday** to run the process every day from Monday through Friday.
Weekly Recurrence	How frequently the process runs in the **Recurs Every x Week(s)** field. The number you enter must range from 1 through 52.
Monthly Recurrence	How frequently the process runs in the **Day of the Month**, or **Week of the Month** and **Day of the Week** fields.

Option	Description
Start Time	The time of day to start the background process.
End Date	You can't schedule a process to run more than 5 times after the end of the next calendar year. Example: a process that runs daily starting on 4/22/2013 must end no later than 1/5/2014. As a best practice, set the end date no later than 12/31 of the next calendar year.

4. (Optional) Select 1 or more employees to include or exclude from the step progression schedule using either an eligibility rule or by selecting employees individually.

Result

The process scans all employees with compensation steps and evaluates whether the interval/period or the step progression rule on the current step applies. If so, Workday progresses these employees to the next grade step. Upon completion, the process updates compensation history for these employees.

- If you assigned a progression rule to the step, the effective date of the compensation change is the date of the scheduled run. If you associated the step with an interval/period, the effective date of the compensation change is the date employees meet the time requirement.
- If employees are participating in a parallel compensation event, Workday doesn't progress them to the next step. You can view a list of these employees by running these reports:

    - **Employee Compensation Step Progression**
    - **Employees Eligible for Next Compensation Step**

    The next time you run the process, it includes those employees. The date of the step change is the start date of the new step no matter when the process advances the employee.

Example: An employee is eligible to progress from Step 1 to Step 2 on July 1 but is part of another compensation process on July 1. The automatic step process ignores that employee and logs them on the **Employee Compensation Step Progression Audit** report. Each run, the process attempts to progress that employee to the next step until successful. The date of step change remains July 1, no matter when the process finally succeeds.

For employees managed by a compensation basis total, Workday processes salary plans in different ways, depending on whether the plan allows overrides:

- If the salary plan doesn't allow overrides, Workday treats the salary increase associated with step change as a fixed amount and doesn't alter it.
- If the salary plan does allow overrides, Workday allocates the plan as necessary.

In both cases, Workday performs a partial calculation for any plans that depend on the salary plan. Workday then adjusts the Primary Compensation Basis.

Related Information
Tasks
Create Compensation Grade Steps on page 907
Reference
Reference: Compensation Step and Grade Progression Reports on page 919

Request Grade Change

Prerequisites

- Define reasons for the *Request Compensation Changes* event using the **Maintain Event Categories and Reasons** task.
- Create compensation grades.
- Configure the *Request Compensation Change* business process to meet your needs.

Context

You can request a change in grade for any employee not assigned a grade step.

Steps

1. Access the **Request Grade Change** task.
2. Specify the **Employee** to whom this change applies. This field doesn't display when you select this task as a related action off an employee.
3. Select a different **Grade**, and optionally, select a new **Grade Profile**.

Result

Changing the grade might change the pay range for the employee; however, it doesn't change actual compensation.

Next Steps

To change pay, use the **Request Compensation Change** task.

Related Information
Tasks
Set Up Compensation Package Analytics on page 959

Set Up Adjustments to Compensation Grades Assigned to Job Profiles

Prerequisites

- Configure the *Set Up Compensation Grade Job Profile Adjustment* business process.
- Define reasons for *Request Compensation Change* event using the **Maintain Event Categories and Reasons** task.

Context

You can update the grade assigned to:

- A job profile.
- Employees in that job profile.

Note: Workday doesn't update employees in a grade step.

Steps

1. Access the **Set Up Compensation Grade Job Profile Adjustment** task.

2. Select the **Job Profile**.

If the job profile you want to adjust already has an adjustment in progress, it won't be available for selection.

Workday calculates and displays:

Employees in this Grade	• Identifies all positions that have the selected job profile. • Identifies employees in those positions. • Identifies employees that have the same grade as that on the job profile. • Excludes employees in a compensation step.
Employees not in this Grade	• Identifies all positions that have the selected job profile. • Identifies employees in those positions. • Identifies employees that have a grade that doesn't match the one on the job profile.
Employees with an In Progress Event	Workday doesn't process these employees. Complete the in-progress event and then reprocess these employees.

3. Select the **Allowed Actions** for **Employees not in this Grade**.

This applies only when you assign employees to the plan.

Option	Description
Adjust to New Grade	Workday sets the assigned value to the new default.
Do Not Adjust	Workday makes no changes to the values assigned to the employee's compensation.

4. In the **Proposed Grade** section, enter the **Grade** you want to associate with the job profile.

Result

Once approved, the process:

- Updates the job profile with the new grade.
- Assigns the grade to the employees and uses eligibility rules to determine if an employee qualifies for a grade profile.
- Creates compensation events using the entered **Event Name** for each impacted employee.

Example

An employee living in Atlanta has a job profile called Individual Contributor. The grade associated with the job profile is called Level 1. Level 1 has 3 grade profiles: Boston, Chicago, and Detroit. The employee doesn't qualify for any of the grade profiles.

Change the grade associated with the job profile to the grade called IC Level 1. IC Level 1 has 2 grade profiles: Atlanta and San Francisco.

When you run the process, the employee receives the same job profile with the new grade called IC Level 1. However, the eligibility rules associated with the grade qualifies the employee for the grade profile called Atlanta.

Related Information
Tasks

Set Up Step Progression Configuration and Notifications

Prerequisites

Set up compensation grades. See Create Compensation Grades.

Set up compensation grade steps. See Create Compensation Grade Steps.

Set up automatic step progression schedules. See Set Up Automatic Compensation Grade Step Progression Schedules.

Security: *Process: Within Grade Increase* domain in the core compensation functional area to access the **Edit Step Progression Configuration** task.

Security: *Worker Data: Step Progression Target* domain in the core compensation functional area to view an employee's **Next Step Progression Target** date in the **View Compensation** task.

Configure the default definition and business process security policy for the *Within Grade Increase Notification* business process.

Context

Workday enables you to configure automatic step progression so that a worker's next step progression target date is preserved if they receive a pay increase or face other compensation changes tied to an effective date.

Workday also enables you to remain informed of upcoming step progressions with the option to schedule step progression notifications that notify your managers of their worker's upcoming step progression events, whether they're eligible or ineligible for progression. If an employee doesn't meet all of the criteria for their automatic step progression, managers can approve or deny the step progression in this notification.

Steps

1. Access the **Maintain Event Categories and Reasons** task.

   a. Select the *Request Compensation Change* event.
   b. Create a **Reason Category** named *Last Equivalent Increase*, or whatever your organization chooses.
   c. Create a **Reason** to denote that a compensation event won't affect the employee's step progression schedule. Example: *Voluntary Demotion*.

2. Access the **Edit Step Progression Configuration** task.

   As you complete the *Within Grade Increase* section, consider:

Option	Description
Step Progression Notification Time Frame (in days)	Enter the amount of calendar days you want Workday to check ahead for scheduled step progressions to notify you of.
	Example: You want to be notified of step progressions scheduled to occur 60 days in the future.

Option	Description
Performance Rating Threshold	Select the minimum performance rating an employee must achieve to be eligible for automatic step progression.
Quality Step Increase Reason Code	See Set Up Quality Step Increase.
Step Progression Effective Date	Select the date when the automatic step progression will take place. Example: An employee is eligible for step progression on a Thursday, and pay periods begin on Mondays. You select the *Start of Next Pay Period* option to automatically progress the employee to the next step on the following Monday, the start of the next pay period.

3. Select the **Enable Last Equivalent Increase for Step Progression Date Adjustment** check box under the *Last Equivalent Increase* tab.

    Add the reasons you configured to the **Non-Qualifying Event Reasons** field.

4. Access the **Schedule Within Grade Increase Notification** task.

    This task determines when and how often managers receive notifications of upcoming worker step progressions.

Result

Users configured in the security policy of the *Within Grade Increase Notification* business process will receive 2 types of step progression notifications in **My Tasks** based on your schedule and business process configuration: 1 for workers who meet the performance threshold and time spent in their current step, and 1 for workers who do not meet these criteria. Users can grant or withhold the step progression of a worker who does not meet the criteria.

When an administrator accesses the **Request Compensation Change** task, they can now select a *Last Equivalent Increase* reason to preserve the employee's automatic step progression schedule after they submit the compensation change.

Example

To remain up to date on all upcoming scheduled step progressions, you configure the notification schedule to notify you on the first of every month of employee step progressions scheduled to occur within the next 30 days. You've configured the business process to notify you of both eligible and ineligible employees. Employees who receive a performance rating below 3 do not automatically progress to their next step, and you can grant or withhold their progression.

Next Steps

Run the **All Within Grade Increase Notification Events** report to view a complete list of notification events.

Reinstate the automatic step progression of employees whose automatic step progression you withheld.

You can create step progression override events for workers and change their Workday-calculated **Next Step Progression Target Date** to a date of your choosing. Automatic step progression will run based on this new overridden date. To do this:

1. Configure the business process security policy and default definition for the *Request Step Progression Date Override* business process.
2. Access the **Request Step Progression Date Override** task.

Related Information
Reference
2023R1 What's New Post: Within Grade Increase

Set Up Time Off and Leave Impact on Step Progression

Prerequisites

Set up compensation grades. SeeCreate Compensation Grades.

Set up compensation grade steps. See Create Compensation Grade Steps.

Set up automatic step progression schedules. SeeSet Up Automatic Compensation Grade Step Progression Schedules.

Security:

- *Set Up: Leave of Absence* in the Absence functional area.
- *Set Up: Time Off* in the Absence functional area.
- *Process: Within Grade Increase* in the Core Compensation functional area.
- *Worker Data: Step Progression Target* in the Core Compensation functional area.

Context

You can enable a worker's time off or leave to impact their next step progression target date. Based on the step's eligibility rules, grace period, and time off or leave impacts, Workday calculates an adjusted **Next Step Progression Target Date** on the worker's profile.

Steps

1. Access the **Edit Step Progression Configuration** task.

   Select the **Enable Time Off and Leave Event Adjustments** check box in the **Time Offs and Leave Types** tab.
2. Access the **Maintain Absence Type Code Mapping** task.

   Map the time off and leave events that you want to impact step progression to the impact code **Step Progression**. You can only map time offs and leave types configured in hours to step progression.
3. (Optional) Access the **Maintain Compensation Steps** task and configure the **Grace Period Interval** and **Grace Period Type** of time off and leave events for each step.

   Grace periods enable you to indicate the number of hours or workweeks a worker can accumulate applicable time off or leave before Workday adjusts their **Next Step Progression Target Date**. You can't assign a different grace period by leave type, time off, or location. The grace period is configured at the step level and all configured time offs and leaves impact the step progression equally.

Result

Workday takes the total amount of approved leave and time off hours taken by the worker and tied to the step progression impact code, and adjusts the **Next Step Progression Target Date** to a later date. This evaluation occurs continuously as time off and leave hours are approved.

Example

A worker on compensation step 5 has a next step progression target date of June 1. He takes 2 months off work with a leave type tied to the **Step Progression** impact code. His current step has a grace period of 1 month. Workday adjusts his next step progression target date to July 1.

Next Steps

Related Information
Tasks
2024R1 What's New Post: Time Off and Leave Impact on Step Progression

Set Up Quality Step Increase

Prerequisites

Set up compensation grades. See Create Compensation Grades.

Set up compensation grade steps. See Create Compensation Grade Steps.

Set up automatic compensation grade step progression schedules. See Set Up Automatic Grade Step Progression Schedules.

Configure the default definition and business process security policy for the *Quality Step Increase* business process.

Security: *Process: Within Grade Increase* in the Core Compensation functional area.

Context

Quality step increases in Workday grant employees a one-time step increase that doesn't impact their normal step progression schedule.

Steps

1. Access the **Maintain Event Categories and Reasons** task.

   a. Select the *Request Compensation Change* event.
   b. Create a **Reason Category** named *Quality Step Increase*, or whatever your organization prefers.
   c. Create a **Reason** to denote why a worker will receive a quality step increase. Examples: *Temporary Promotion*, or *Outstanding Rating*.

2. Access the **Edit Step Progression Configuration** task.

   Add your reason to **Quality Step Increase Reason Code** field. This will be the default reason listed in the quality step increase request.

3. Access the **Request Quality Step Increase** task.

Result

Workday sends the user configured to review the quality step increase a **My Tasks** notification with the options to approve, deny, cancel, or add additional reviewers to the request.

The worker receiving the quality step increase retains their normal step progression schedule.

Related Information
Reference
2023R1 What's New Post: Quality Step Increase

Reference: Compensation Grade and Pay Range Security

You can configure security domains in the Core Compensation functional area:

- For default compensation on open positions and job requisitions.
- To access worker compensation data.
- For workers to access their own compensation data.

Default Compensation on Open Positions and Job Requisitions

Configure security domains for default compensation on open positions and job requisitions.

Non-Worker Data: Compensation	Parent domain of the non-worker compensation data subdomains.
Non-Worker Data: Compensation Basis Pay Range	Grants access to the pay range, compa-ratio, penetration, and segment-related fields.
Non-Worker Data: Compensation Grade	Grants access to the compensation grade and grade profile-related fields.
Non-Worker Data: Compensation Pay Range	Grants access to the total base pay range, compa-ratio, benchmark, and segment-related fields.

Worker Compensation Data

Configure security domains to access worker's compensation data.

Worker Data: Compensation by Organization	Grants access to the **Compensation** tab on the worker profile, which displays reports and report fields for the worker's compensation assignment.
Worker Data: Compensation Basis	Grants access to worker's **Compensation Basis**.
Worker Data: Compensation Basis Pay Range	Grants access to the pay range, compa-ratio, penetration, and segment-related fields of compensation bases.
Worker Data: Compensation Grade	Grants access to compensation grade and grade profile-related fields.
Worker Data: Compensation Pay Range	Grants access to the total base pay range, compa-ratio, benchmark, and segment-related fields.

Worker Access to Their Compensation Data

Configure security domains for workers to access their own compensation data.

Note: Workday doesn't deliver these self-service security policies enabled. Enable the security policies and add security groups to allow employees to see their own pay ranges.

Self-Service: Compensation Basis Pay Range	Grants workers access to the pay range of their Primary Compensation Basis.
Self-Service: Total Base Pay Range	Grants workers access to the pay range of their total base pay.

Related Information
Tasks
Edit Domain Security Policies
Create Compensation Grade Steps
Set Up Automatic Compensation Grade Step Progression Schedules

Reference: Compensation Step and Grade Progression Reports

To view employee information regarding step and grade progression, use these reports:

Report Name	Purpose	Generation	Next Step
Employee Compensation Step Progression	Lists employees who have had a compensation step change within the specified time period. The report captures: • Employees advanced to the next step through the automatic step progression progress. • Employees hired into a compensation step. • Employees with a manual compensation step change. Click the various links on a compensation change to drill into details. For hire compensation events, the Old Step value remains blank if this is their first step.	To run this report: • Access the report through search or the Compensation menu category. • Use the **Schedule a Report** task to schedule and run the report the same time that you run automatic step progression process.	Review the employees included on the list and drill into details as necessary. If you have run the automatic step progression process, access the **Employee Compensation Step Progression Audit** report to review a list of skipped employees due to conflicting compensation events.
Employee Compensation Step Progression Audit	This report lists employees eligible to progress to the next compensation step in their grade but did not. Some employees don't progress due to a parallel compensation process that ran the same time as the automatic step progression process. The automatic step progression process can advance employees to the next step if there is no parallel compensation process in progress.	To run this report: • Access the report through search or the Compensation menu category. • Use the **Schedule a Report** task to schedule and run the report the same time that you run automatic step progression process.	Complete the processing of the conflicting compensation event for the pending employees. To drill to the compensation event that prevented the step progression, click the Parallel Compensation Process link. Next, rerun the automatic step progression process using the **Schedule Automatic Step Progression** task.
Employees Eligible for Next Compensation Grade	Lists relevant details about employees who have reached the last compensation step in their current grade and are eligible to progress into the first step of the next grade.	To run the report: • Access the report through search or the Compensation menu category. Use the current or future date. • Use the **Schedule a Report** task to schedule and run the report the same time that you	For employees on the last step of their grade, progress these employees to the next grade manually using the **Request Compensation Change** task. The automatic step progression process only moves employees to the

Report Name	Purpose	Generation	Next Step
		run automatic step progression process.	next step within the same grade.
Employees Eligible for Next Compensation Step	This report lists, as of a specific date, relevant details about employees who have satisfied the time requirement for their current compensation step and are eligible to progress to the next step in their grade.	Access the report through search or the Compensation menu category. Use the current or future date.	When ready, run the automatic step progression process to advance these employees to the next step in their grade. To schedule and run the process, use the **Schedule Automatic Step Progression** task.

Compensation Survey Management and Benchmark

Setup Considerations: Compensation Survey Management and Compensation Benchmark

You can use this topic to help make decisions when planning your configuration and use of compensation survey management and compensation benchmark. It explains:

- Why to set it up.
- How it fits into the rest of Workday.
- Downstream impacts and cross-product interactions.
- Security requirements and business process configurations.
- Questions and limitations to consider before implementation.

Refer to detailed task instructions for full configuration details.

What It Is

Compensation survey management and compensation benchmark enable you to compare how you're compensating your employees to other employers and to employees in your tenant. You can match market data from compensation survey vendors, and internally to Workday job profiles to compensate your employees and candidates accordingly.

Business Benefits

With compensation survey management, you can:

- Understand how your organization's compensation compares to the market.
- Monitor compensation trends in your industry.
- Budget for compensation cycles in a competitive job market.
- Identify employees that fall below market.
- Offer candidates more competitive compensation packages.
- Make informed decisions on retaining key employees.

Use Cases

- Maintain multiple vendors, products, and compensation surveys over time.
- Match survey jobs with Workday job profiles.
- Connect your employees with matched survey jobs.
- Populate job matches in new compensation surveys based on matches in past surveys.
- Use Workday reports to collect employee compensation data for survey submission.

- Store survey results from multiple surveys with multiple compensation components.
- Store custom fields and percentiles for each compensation component.
- Manage multiple result sets and their effective dates for each survey.
- Manage survey scopes, and use compensation eligibility rules to connect employees with survey scopes.
- Use data from multiple surveys to generate a compensation benchmark that you can use for guidance during compensation transactions or to analyze employee compensation.
- Use machine learning to analyze jobs and job profiles from compensation surveys to recommend job matches.

Questions to Consider

Questions	Considerations
Will Workday calculate the external compensation survey benchmark, or will you calculate it outside of Workday and load it?	If Workday calculates the compensation benchmark, set up survey vendors, job matches, load survey results, and configure a calculated compensation benchmark cycle. If you calculate the benchmark outside of Workday, you only need to set up survey result compensation components and result percentiles. Then load your benchmark data into a loaded compensation benchmark cycle.
What survey vendors and products are best suited for this feature?	You can use this feature to manage quantitative compensation surveys.
How often should you update survey vendors, products, and surveys?	You only need to set up a vendor and survey product once. You can then add new surveys each year.
How many compensation survey components do you need?	You can configure as many survey components, such as Base Pay or Total Cash, as necessary with the **Maintain Compensation Survey Components** task. You can then load components into Workday using the *Import Compensation Survey Job Results* web service.
How do you set up compensation survey result custom fields?	Access the **Maintain Compensation Survey Result Custom Fields** task. You can configure each custom field as numeric or to inherit the currency type from compensation component. You can then load your custom fields into Workday using the *Import Compensation Survey Job Results* EIB template and web service.
How do you set up compensation survey result percentiles?	Use the **Maintain Compensation Survey Result Percentiles** task to configure percentiles. You can configure as many percentiles, such as 25th, 50th, and 75th, as necessary. You can then load them into Workday using the *Import Compensation Survey Job Results* web service.
What survey scopes do you need?	Configure scopes that belong to each compensation survey vendor on the **Maintain Compensation Survey Scopes** task. Survey scopes can be locations, such as *Tri-Cities Area* or *San Francisco Bay Area*. You can associate survey scopes with employees using eligibility rules.
How do you want to manage multiple survey result set releases of the same survey?	You can configure result set names and effective dates on the **Maintain Compensation Survey Result Sets** task.

Questions	Considerations
How do you match a job profile to a survey job or a specialty of a survey job?	You can match job profiles to survey jobs or job specialties on the **Edit Compensation Survey Job Matches** task. You can also use the *Put Compensation Survey Job Matches* web service. To match a subset of employees of a job profile to a survey job or a specialty, you can also set up eligibility rules on that job match. Workday matches employees for the job profile that meet: • 1 of the eligibility rules on the compensation survey, and 1 on the survey job to the job profile match. • 1 of the eligibility rules on the compensation survey, and 1 on the survey job specialty to the job profile match.
How do you use a compensation survey so that it applies only to a certain country?	Access the **Maintain Compensation Surveys** task to set up an eligibility rule specifying that country on the survey. Workday matches only the employees in that country to jobs in the survey.
Do you have a compensation survey that applies to multiple countries but the job matches differ across countries?	You can set up eligibility rules: • To manage surveys for each country separately. However, you must create a separate survey for each country and load survey job catalogs and job matches for each survey. • On the job match, not the compensation survey. You can then set up 1 survey and load the survey job catalog once. For the survey jobs that have different matches by country, you can set up multiple matches and attach country-specific eligibility rules to each match.
How do you manage a compensation survey that covers multiple countries or multiple locations with different survey results?	You can set it up as 1 survey, then load the job catalog and job matches. For each country or each location, set up a result scope using the **Maintain Compensation Survey Scopes** task, and attach eligibility rules to each scope.
Do all job profiles or a subset require weights, adjustments, or annual aging factors?	You can configure weight, adjustment, and aging factors for all job profiles or a subset on the **Create Compensation Benchmark Cycle** task. You can then apply them to all job profiles or to a subset.
What weight, adjustment or aging factors do you apply to your survey results?	You can configure weight, adjustment, and aging factors on the **Create Compensation Benchmark Cycle** task.

Recommendations

Workday recommends that you:

• Set up eligibility rules to determine which employees qualify for compensation surveys, job matches, or scopes. If you don't set up eligibility rules, all employees qualify.

- Group all job families or job profiles that share the same configuration together when configuring a compensation benchmark.

Requirements

No impact.

Limitations

You can only load 4 custom fields and 5 percentile fields at a time with the *Import Compensation Survey Job Results* web service. If you need more custom or percentile fields, run the web service again.

Tenant Setup

No impact.

Security

These security domains in the Core Compensation functional area.

Domains	Considerations
Non-Worker Data: External Compensation Benchmark	Provides access to the external compensation benchmark for a non-worker, such as for a job requisition. External compensation benchmark data is provided by compensation survey vendors outside of Workday.
Non-Worker Data: Internal Compensation Benchmark	Provides access to the internal compensation benchmark for a non-worker, such as for a job requisition. Workday aggregates internal compensation benchmark data from employee compensation data internal to your tenant.
Set Up: Compensation Benchmark	Enables you to configure compensation benchmark cycles and generate compensation benchmarks from survey results.
Set Up: Compensation Surveys and Survey Jobs	Enables you to configure survey vendors, products, and jobs.
Set Up: Compensation Survey Job Matches	Enables you to match survey jobs with Workday job profiles.
Set Up: Compensation Survey Results	Enables you to configure and load survey results: - Components. - Custom fields. - Percentiles. - Result sets. - Scopes.
Worker Data: External Compensation Benchmark	Enables you to create calculated fields for reporting on external compensation benchmarks.
Worker Data: Internal Compensation Benchmark	Enables you to create calculated fields for reporting on internal compensation benchmarks.

Business Processes

No impact.

Reporting

Reports	Considerations
Compensation Survey Jobs	You can use this report to review a survey's job catalog, including job codes, titles, levels, descriptions, families, and functions. With survey job detail and subdetail reference IDs, this report can also help you to prepare the EIB template and update the existing job catalog.
Compensation Survey Jobs and Matches	You can use this report to verify how a survey's jobs match to Workday job profiles.
Compensation Survey Job Matches by Job Profile	You can use this report to verify how Workday job profiles match to compensation survey jobs.
Compensation Survey Results	You can use this report to view survey results of all survey jobs in a selected result set.
Internal Compensation Benchmark for Job Profile(s)	You can use this report to examine how your internal workers are being paid compared with their peers.
Internal Compensation Benchmark for Worker(s)	You can use this standard report for the internal compensation benchmark. You can copy it, create calculated fields, and add them to your copy.
Review Compensation Benchmark Cycle	You can use this report to review configurations contributing to the benchmark of a job family group, a job family, a job profile, or the entire cycle.
Review Compensation Benchmark Data	You can use this report to review the compensation benchmark data of multiple job family groups, job families, or job profiles.
Compensation Survey Results by Job Profile	You can use this report to view survey results for survey jobs that match selected Workday job profiles or job families from specified survey result sets.
Worker and Compensation Data for Survey Job Matches	You can use this report to: • Collect employee compensation data for each employee. • Match the employee's job profile to the survey job. • Prepare employee data for survey submission. The survey you select determines the survey jobs and matches. The effective date determines the employee data.

Integrations

Workday provides these public web services to support compensation survey management:

Web Services	Description
Import Compensation Benchmark Configuration	Import a calculated benchmark cycle, including benchmark cycle data, weight method, and age to date.
Import Compensation Benchmark Data	You can create benchmark data outside of Workday and load it with this EIB.
Import Compensation Survey Job Details *Put Compensation Survey Job Detail*	After setting up compensation survey vendors, products, and surveys, use these web services to create and update the survey job catalog.
Import Compensation Survey Job Results	Set up compensation survey: • Components. • Custom fields. • Percentiles. • Result sets. • Scopes. Then use this web service to load survey results into Workday.
Put Compensation Survey Job Matches	Use this web service to match survey jobs with Workday job profiles.

Connections and Touchpoints

Compensation Survey Management touches the Staffing functional area, especially regarding job profiles.

Workday offers a Touchpoints Kit with resources to help you understand configuration relationships in your tenant. Learn more about the Workday Touchpoints Kit on Workday Community.

Related Information
Tasks
Steps: Manage External Compensation Surveys, Job Catalog, and Job Matches on page 928
Steps: Configure External Compensation Benchmarks from Survey Results on page 932
Steps: Configure Internal Compensation Benchmarks on page 938
Reference
Reference: Workday Compensation Benchmark Solutions on page 941

Steps: Enable Machine Learning for Compensation Benchmark Job Matching

Prerequisites

Note: The steps for enabling this feature depend on your organization's subscription service agreement. To determine your subscription service agreement, a Community user can:

1. Access your profile avatar on Community.
2. Select the **Profile** button.
3. On your profile page, select your organization's name underneath your name and to the right of your title.
4. View the **Subscription Service Agreement** value.

If the value is:

• *MSA*, you must enable this feature through Innovation Services using the **Enable Innovation Services Features and Machine Learning Data Contribution** step.

- *UMSA*, you can skip the optional **Enable Innovation Services Features and Machine Learning Data Contribution** step.

Context

Using machine learning, Workday:

- Analyzes the data in your tenant that defines the job profiles and jobs from compensation surveys.
- Matches skills across jobs.
- Recommends jobs from compensation surveys to match with a job profile.

Steps

1. Enable Innovation Services Feature and Machine Learning Data Contributions.

   Note: You might need to take additional steps to enable this feature depending on your organization's subscription service agreement. For more information, see this Community article.

   On the **Innovation Services Opt-In** task, select the **HCM Machine Learning GA Features** service on the **Available Services** tab in the **HCM** category.
2. Access the **Edit Tenant Setup - Machine Learning** task.

   Select the region in which Workday hosts data used for improvement and personalization of machine learning and analytics functionality.

   Security: *Set Up: Tenant Setup - Machine Learning* in the System functional area.
3. Wait until the next business day for Workday to extract and index survey jobs.
4. Test your configuration in your implementation tenant only.
   a) Access the **Run On-Demand Machine Learning Activation for Implementation Tenant** task.
   b) Select **HCM ML GA Innovation Service**.

      If you've updated your survey or job profile data, you can run this task only 1 time each day to refresh your suggestions.
   c) Access the **Maintain Weekly Machine Learning Activation for Implementation Tenant** task to test on an ongoing basis.

   Security: *Manage: Innovation Services* in the Innovation Services functional area.

Result

With machine learning enabled, Workday:

- Makes recommendations for matching jobs with Workday job profiles on the **Edit Compensation Survey Job Matches** task.
- Uses your mapping of Workday job profile levels to survey job levels on the **Maintain Compensation Survey Job Level Mapping** task. This enables machine learning to recommend survey jobs of the right level.

Next Steps

- Match survey jobs with Workday job profiles on the **Edit Compensation Survey Job Matches** task to enable machine learning recommendations for job matches with Workday job profiles.
- Map Workday job profile levels to survey job levels on the **Maintain Compensation Survey Job Level Mapping** task to ensure better machine learning recommendations.

Related Information
Tasks
Steps: Configure External Compensation Benchmarks from Survey Results on page 932
Reference
Workday Community: Available Innovation Services – Service Descriptions and Exhibits

Workday Community: Workday Machine Learning
Reference: Edit Tenant Setup - HCM

Steps: Manage External Compensation Surveys, Job Catalog, and Job Matches

Context

You can add new and manage existing compensation survey vendors, their products, and their surveys.

Managing compensation surveys is:

- Required if you use calculated external compensation survey benchmark cycles. In this case, you configure how Workday calculates the compensation benchmark.
- Unnecessary if you only use loaded external compensation survey benchmark cycles. For loaded benchmark cycles, you calculate benchmark data outside of Workday and load it using a web service.

Steps

1. Access the **Maintain Compensation Survey Vendors and Products** task.

   Add 1 or more **Vendor** and **Product** combinations. Each vendor can have 1 or more products. You can't remove vendors and products if you've created compensation surveys for them.

   You can click **Usage Count** to see where the product is used.

   Security: *Set Up: Compensation Surveys and Survey Jobs* domain.

2. Access the **Maintain Compensation Surveys** task.

   a) Select a **Vendor**.
   b) Select a **Product**.
   c) Add 1 or more **Survey Date** and **Survey Name** rows.

   You can delete a row as long as there are no associated jobs.

   d) Add 1 or more **Compensation Eligibility Rules** for each row, if necessary.

   Eligibility rules associate positions or job requisitions in Workday to surveys, job details, or job specialties. If you add more than 1 compensation eligibility rule per row, Workday associates positions or job requisitions with the survey when they meet any 1 rule.

   If you don't set up eligibility rules:

   - On a compensation survey, all employees qualify for that survey.
   - On a match between a survey job and a job profile, Workday matches all employees on the job profile to the survey job.

   Security: *Set Up: Compensation Surveys and Survey Jobs* domain.

3. Create and update the survey job catalog with these web services:

   - *Import Compensation Survey Job Details.*
   - *Put Compensation Survey Job Detail* to load a survey job catalog.

   Security: *Set Up: Compensation Surveys and Survey Jobs* domain.

4. Match survey jobs with Workday job profiles.

You can do this on the **Edit Compensation Survey Job Matches** task. If you've enabled machine learning for compensation benchmark job matching, Workday makes machine learning recommendations.

You can also match survey jobs with Workday job profiles using the *Put Compensation Survey Job Matches* web service.

The **Find Compensation Survey Jobs** task provides multiple criteria by which you can identify survey jobs for matching.

On the **Edit Compensation Survey Job Matches** task, select surveys and as you add 1 or more job matches, consider:

Option	Description
Job Profile	Select a Workday job profile to match to compensation survey jobs.
Include Matches from Surveys	Select the surveys you want to assign job matches for the job profile.
Survey	Select 1 of the surveys ones you selected previously.
Survey Job	Select a job from the survey.
Job Match Eligibility Rules	Select 1 or more job match eligibility rules. The job match only applies to employees or job requisitions that meet an eligibility rule.

With the *Put Compensation Survey Job Matches* web service, consider:

To accomplish this...	Do this...
Match a survey job in the survey to a Workday job profile.	Enter 1 line with the survey job from the survey and the Workday job profile.
Delete a match between a survey job in the survey and a Workday job profile.	Enter the survey job without the Workday job profile.
Match a survey job in the survey to multiple Workday job profiles.	Enter multiple lines with the survey job from the survey for each Workday job profile.
Match multiple survey jobs to a Workday job profile.	Enter multiple lines with each survey job from the survey and the Workday job profile.
• Match the same survey job to different job profiles in different locations. • Match workers, positions, or job requisitions in a specific organization or location to a survey job.	Enter compensation eligibility rules for the job detail or subdetail. The compensation survey job detail or subdetail matches only workers, positions, or job requisitions that meet 1 or more compensation eligibility rules.

Note: The *Put Compensation Survey Job Matches* web service updates or appends existing job matches in Workday. Only the job matches you add or change affect existing job match data.

Security: *Set Up: Compensation Survey Job Matches* domain in the Core Compensation functional area.

5. Access the **Maintain Compensation Survey Job Level Mapping** task.

   Map Workday job profile levels to survey job levels. If you've enabled machine learning for compensation benchmark job matching, Workday uses your mapping practices to make recommendations.

   Security: *Set Up: Compensation Survey Job Matches* domain in the Core Compensation functional area.

6. Access the **Maintain Compensation Survey Jobs** task.

   Add a **Survey Job Code** and 1 or more jobs, including title, level, function, family, and 1 or more specialties. You can also use the **Add Compensation Survey Jobs** or **Edit Compensation Survey Jobs** tasks.

   Example: SMP-C2034, Technical Writer 1, Level 1, Sr. Technical Writer, Maintain Admin Guide, Information Development, Admin Guide.

   To delete survey jobs, access the **Delete Compensation Survey Jobs by Survey** task.

   Security: *Set Up: Compensation Surveys and Survey Jobs* domain.

Next Steps

- Steps: Manage External Compensation Survey Results on page 930.
- Access these reports:

  - **Compensation Survey Jobs**
  - **Compensation Survey Jobs and Matches**
  - **Compensation Survey Job Matches by Job Profile**
  - **Worker and Compensation Data for Survey Job Matches**

Related Information
Concepts
Concept: EIB Spreadsheet Data Entry Guidelines
Tasks
Create Eligibility Rules for Compensation on page 902

Steps: Manage External Compensation Survey Results

Prerequisites

Set up compensation survey vendors, products, and the job catalog.

Context

After you've set up compensation survey vendors, products, and the job catalog, configure survey:

- Components.
- Custom fields.
- Percentiles.
- Result sets.
- Scopes.

Then run the *Import Compensation Survey Job Results* web service.

Steps

1. Access the **Maintain Compensation Survey Components** task.

   Enter 1 or more compensation survey components and their order.

   Example: Base Pay, Bonus, Total Cash.

   Enter the *Reference ID* or *Workday ID* of the compensation components you created into the **First Component** through **Sixth Component** columns of the *Import Compensation Survey Job Results* EIB.

   If you need to load more than 6 compensation components, run the *Import Compensation Survey Job Results* web service more than once.

   Security: *Set Up: Compensation Survey Results* domain.

2. (Optional) Access the **Maintain Compensation Survey Result Custom Fields** task.

   This step is unnecessary if you used loaded compensation benchmark cycles.

   Enter 1 or more custom fields, and consider:

Option	Description
Numeric	The custom field is always a numeric value. Example: the Number of Employees custom field is always numeric.
Inherit Currency Type from Compensation Component	Inherits the currency type from the compensation component. Example: If the compensation component is Base Pay, the Average custom field is a currency. If the component is Bonus Target Percent, the Average custom field isn't a currency.

   Enter the *Reference ID* or *Workday ID* of the custom fields you created in the **First Custom Type** through **Fourth Custom Type** columns of the *Import Compensation Survey Job Results* EIB.

   If you need to load more than 4 custom fields per compensation component, run the *Import Compensation Survey Job Results* web service more than once. You can also use percentile fields to store custom fields.

   Security: *Set Up: Compensation Survey Results* domain.

3. Access the **Maintain Compensation Survey Result Percentiles** task.

   Enter 1 or more percentile name and value rows. Use only integers to represent each percentile value. Example: Enter 25th for the **Percentile Name** and 25 for the **Percentile Value**.

   Alternatively, you can use the *Import Compensation Survey Job Results* EIB and web service. Enter the *Reference ID* or *Workday ID* of the percentile fields you created in the **First Percentile** through **Fifth Percentile** columns. If you need to load more than 5 percentiles per compensation component, run the *Import Compensation Survey Job Results* web service more than once. You can also use custom fields to store percentiles.

   Security: *Set Up: Compensation Survey Results* domain.

4. (Optional) Access the **Maintain Compensation Survey Result Sets** task.

   This step is unnecessary if you used loaded compensation benchmark cycles.

   For each survey, enter 1 or more result set names and effective dates.

   Example: A compensation survey releases results quarterly. Enter:

   - Q1 2020 and 01/01/2020.
   - Q2 2020 and 04/01/2020.
   - Q3 2020 and 07/01/2020.
   - Q4 2020 and 10/01/2020.

   Security: *Set Up: Compensation Survey Results* domain.

5. (Optional) Access the **Maintain Compensation Survey Scopes** task.

   This step is unnecessary if you use loaded compensation benchmark cycles.

   For each vendor, enter 1 or more compensation survey scopes. For each survey scope, you can select 1 or more eligibility rules. Example: If the survey results of this scope apply only to employees in the San Francisco Bay Area, enter:

   • *San Francisco Bay Area* for the scope, and
   • *Location is San Francisco Bay Area* for the eligibility rule.

   When configuring a calculated benchmark cycle, you can select survey result scopes to apply specific survey results to a benchmark profile.

   Security: *Set Up: Compensation Survey Results* domain.

6. (Optional) Run the *Import Compensation Survey Job Results* web service to load survey results.

   This step is unnecessary if you used loaded compensation benchmark cycles.

Next Steps

To delete survey results, access the **Delete Compensation Survey Results** .

Access the **Compensation Survey Results** and **Compensation Survey Results by Job Profile** reports.

Related Information
Concepts
Concept: EIB Spreadsheet Data Entry Guidelines
Tasks
Create External Compensation Survey Benchmark Cycles on page 934

Steps: Configure External Compensation Benchmarks from Survey Results

Context

You can use data from multiple external market surveys to calculate compensation benchmarks to guide you during compensation transactions.

Steps

1. Access the **Maintain Compensation Benchmark Profiles** task.

   Enter 1 or more benchmark profiles and 1 or more compensation benchmark eligibility rules for each. Workday links employees and job requisitions to benchmark profiles based on eligibility rules.

   A benchmark profile usually corresponds to a location, which can have its own market data.

   To determine which compensation benchmark profile to use for the external compensation benchmark of an employee, Workday determines which benchmark profile the employee is eligible for. If an employee is eligible for multiple benchmark profiles, Workday uses the highest ranked eligible benchmark profile.

   Rank the benchmark profiles according to usage. Example: Rank San Francisco ahead of United States. If most of your employees are in the United States, rank United States ahead of other countries.

   Security: *Set Up: Compensation Benchmark* in the Core Compensation functional area.

2. Access the **Maintain Compensation Benchmark Targets and Spreads** task.

   As you complete this task, consider:

Option	Description
Job Families or Groups / Job Profiles / All Job Profiles	Select 1 option: • 1 or more job family groups. • 1 or more job families.

Option	Description
	• 1 or more job profiles. • All job profiles.
Compensation Components / All Compensation Components	Select 1 or more compensation components from the list or select all.
Target Percentile	The percentile that you configured as the target of a compensation composite. Examples: 25th, 50th, 75th.
Range Spread, %	Enter a percentage. Workday calculates the minimum and maximum: • Minimum = Midpoint / (1 + 0.5 * Range Spread). • Maximum = (1 + Range Spread) * Minimum. Example: If the 50th percentile of the compensation benchmark is 110,000, and you select the 50th percentile as the composite target percentile, Midpoint is 110,000. If the Range Spread is 20%, Minimum is 100,000 and Maximum is 120,000.

Security: *Set Up: Compensation Benchmark* in the Core Compensation functional area.

3. Create External Compensation Survey Benchmark Cycles on page 934.

Security: *Set Up: Compensation Benchmark* in the Core Compensation functional area.

4. Reporting on Compensation Benchmarks on page 939.

You can access the: **Review Compensation Benchmark Data** report to review the external compensation benchmark of job profiles.

You can also create custom reports for:

• External compensation benchmark for job profiles.
• Current compensation assignment and pay range from compensation grade and grade profile.
• External and internal compensation benchmark for employees.

Security: *Worker Data: External Compensation Benchmark* and *Worker Data: Internal Compensation Benchmark* in the Core Compensation functional area.

Next Steps

Access:

• **Delete Compensation Benchmark Cycle** task.
• **View Compensation Benchmark Cycles** report.

Related Information
Concepts
Setup Considerations: Compensation Survey Management and Compensation Benchmark on page 921
Reference
Reference: Edit Tenant Setup - HCM

Create External Compensation Survey Benchmark Cycles

Prerequisites

Security: *Set Up: Compensation Benchmark* in the Core Compensation functional area.

Context

You can create either a calculated or loaded external compensation survey benchmark cycle type:

- Calculated: You configure how Workday calculates the compensation benchmark using either the **Create Compensation Benchmark Cycle** task or the *Import Compensation Benchmark Configuration* web service.
- Loaded: You calculate benchmark data outside of Workday and load it into Workday using either the **Create Compensation Benchmark Cycle** task or the *Import Compensation Benchmark Data* web service.

For calculated external compensation survey benchmark cycles, you can configure benchmark weight, adjustment, and aging factors on a single row, provided job profiles or job families share the same configuration.

If a job profiles or job families have varying attributes, you can configure them on multiple rows.

For ease of management and review, Workday recommends that:

- For a compensation benchmark of a job family group, job family, or job profile, keep configurations of all benchmark profiles together.
- For a compensation benchmark profile, keep configurations of all compensation components together.

For weights and adjustments, configurations can differ for each compensation component (such as base pay or total cash target) at each location for each job profile. For annual aging factor, you can also assign a different value per compensation component per location per job profile.

Steps

1. Access the **Create Compensation Benchmark Cycle** task.
2. Select a **Compensation Benchmark Cycle Type**.

Option	Description
Calculated	Select this option to configure a benchmark cycle within Workday. Configure weights, adjustments, and aging factors to calculate benchmarks from survey results.
Loaded	Select this option if you calculate benchmark data outside of Workday. Configure Workday to receive the data, then load your calculated benchmark data into Workday.

3. (Optional) Configure a **Calculated** benchmark cycle:

   As you complete this task, consider:

Option	Description
Weight Method	For calculated benchmarks, select: - **Equal Weight Among Surveys**: Workday weights the selected surveys equally. If a job profile matches multiple jobs in a survey, Workday divides the weight for that survey evenly among the jobs. - **Manual Weight**: Manually configure weight among surveys.

Option	Description
	• **Weight by Survey Result Custom Field**: Workday calculates the weight of each survey for each compensation component based on the relative ratio of selected custom fields.
	Example: The compensation component Base Pay for the Software Engineer 1 job profile comes from the:
	• 2021 Radford GTS survey, with 1,500 companies contributing data.
	• 2021 Mercer TRS survey with 500 companies contributing data.
	Radford has a weight of 1,500 / (1,500 + 500) = 75%. Mercer has a weight of 500 / (1,500 + 500) = 25%.
Configuration Effective Date	The effective date of the benchmark cycle remains in effect until a cycle with a later date becomes effective.
Age to Date	Workday ages compensation survey results to this date using annual aging factors.
Job Families or Groups / Job Profiles / All Job Profiles	Select 1 option: • 1 or more job family groups. • 1 or more job families. • 1 or more job profiles. • All job profiles.
Benchmark Profile	Select 1 of your benchmark profiles.
Compensation Components / All Compensation Components	Select 1 or more compensation components from the list or select all. Workday only ages components you select.
Survey / Survey Result Set	For **Weights and Adjustments**, select a compensation survey or survey result set. If you select a survey for this field, Workday uses the survey result set with the latest effective date from the selected survey. Some surveys release survey results multiple times per year. When you create and load a new survey result set, Workday uses data from the latest survey result set without updating benchmark cycle configuration.
Surveys / Survey Result Sets	For **Annual Aging Factors**, elect 1 or more compensation surveys or survey result sets. If you select a survey, Workday applies aging to all result sets in this survey. If you select a survey result set, Workday applies aging only to the selected survey result set.
Survey Result Scope	For **Weights and Adjustments**, select a scope that belongs to the vendor of the survey or survey result set and applies to the selected benchmark profile. Example: If the benchmark profile is *San Francisco, CA, US*, select the *San Francisco Bay Area* survey result scope.
Survey Result Scopes / All Survey Result Scopes	(Optional) For **Annual Aging Factors**, if configured, Workday applies aging only to the scope of your selected surveys or survey result sets.

Option	Description
	If left blank, Workday applies aging to all scopes of your selected surveys or survey result set.
Weight Factor, %	For **Weights and Adjustments**, enter a percentage. Example: 10 is 10%. Weight factors must total 100% for a compensation component.
Adjustment Factor, %	For **Weights and Adjustments**, enter a percentage. Example: 10 for 10%.
Aging Factor, %	(Optional) For **Annual Aging Factors**, enter a percentage. Example: 10 is 10%.

Workday calculates the benchmark using this formula:

```
sum(Cn * Wn* (1 + ADJn) * (1 + An))
```

Where:

- *Cn*: Compensation component value for the nth source of survey result data.
- *Wn*: Weight factor for the nth source of survey result data.
- *ADJn*: Adjustment factor for the nth source of survey result data.
- *An*: Aging factor for the nth source of survey result data. The aging factor is proportional to the annual aging factor and is based on the duration in months between:

  - The compensation benchmark cycle age to date.
  - The survey result set effective date.

  Example:

  - The annual (12 months) aging factor is 3% (0.03).
  - The survey result set effective date is 4/1/2020 and the benchmark cycle age to date is 10/1/2021 (18 months).
  - The aging factor is: 0.03 * 18 / 12 = 0.045 (4.5%).

Workday uses lower level configurations to override higher level configurations, in this order:

a. Job profile.
b. Job family.
c. Job family group.
d. All job profiles.

4. (Optional) Configure a **Loaded** benchmark cycle for the compensation benchmark data you calculated outside of Workday.

   As you complete this task, consider:

Option	Description
Job Profile	Enter a job profile.
Benchmark Profile	For each job profile, enter a benchmark profile, a currency, and a frequency.
Compensation Component	For each benchmark profile, enter a compensation component.
Percentile	For each compensation component, enter a percentile.
Benchmark Amount	Enter a benchmark amount.

After you finish your configuration here, load your calculated data using the *Import Compensation Benchmark Data* web service EIB.

Next Steps

Access:

- **Edit Compensation Benchmark Cycle** task.
- **Review Compensation Benchmark Cycle** report.
- **Review Compensation Benchmark Data** report to review the calculated benchmark data for selected job family groups, job families, or job profiles.

Related Information
Tasks
Reference

Steps: Create Shadow Compensation Pay Ranges

Prerequisites

Configure compensation benchmark profiles.

Context

You can compare the compensation grades and profiles you have in Workday to those of the benchmark. The **Generate Shadow Compensation Pay Ranges** task creates shadow compensation pay range segments based on the number of segments in the Workday parent pay range, grade, and grade profile. You can then use the **Shadow Compensation Pay Range Comparison** report to compare Workday pay ranges to their shadow counterparts.

Workday generates shadow compensation pay ranges when:

- A compensation benchmark cycle exists with data for the selected job profile.
- The pay range grade or grade profile for the job profile has the same eligibility rule or rules as a benchmark profile type in the benchmark cycle. If no eligibility rules are configured on the pay range, Workday uses the default from the benchmark cycle.
- A benchmark target configuration exists for the selected job profile.

Steps

1. Access the **Maintain Compensation Benchmark Targets and Spreads** task.
2. Access the **Create Compensation Benchmark Cycle** task.
3. Access the **Generate Shadow Compensation Pay Ranges** task.

   Select 1 or more job profiles and optionally select a compensation basis.

   Security: *Set Up: Compensation Benchmark* domain in the Core Compensation functional area.
4. Access the **Shadow Compensation Pay Range Comparison** report.

   Select 1 or more job profiles or 1 or more compensation bases for which you've generated shadow compensation pay ranges.

   The report displays grade profiles and their segments, currency, and frequency for both Workday and the shadow benchmark. You can then compare your current profiles to benchmark data.

   Security: *Set Up: Compensation Benchmark* domain in the Core Compensation functional area.

Steps: Configure Internal Compensation Benchmarks

Context

You can use data from within your own tenant to create internal compensation benchmarks.

Workday calculates the internal compensation benchmark of an employee using the 100% FTE value of each position included in the calculation. Workday includes primary or secondary positions with active employees that share the same job profile, compensation grade, and grade profile as the primary position of the employee. Workday excludes compensation basis values of zero and basis amounts for positions that aren't eligible for the selected compensation basis.

For terminated employees, Workday calculates the internal compensation benchmark based on positions that matched the terminated employee's primary position as of their last day of work.

Steps

1. Access the **Edit Tenant Setup - HCM** task.

   You can enable more meaningful internal benchmarks while safeguarding sensitive employee data.

   In the **Compensation** section, enter a value for **Internal Compensation Benchmark Threshold**.

   The threshold is the number of employees in outside organizations that a manager must have access to for Workday to include them in the benchmark calculation. If the manager doesn't have access to any employee data outside of their organization, the threshold has no effect.

   Workday displays job profile data according to the configured threshold to balance the needs for meaningful information while keeping sensitive data secure. A higher threshold value ensures the security of sensitive pay information, but might result in less meaningful information. A low threshold value might display more meaningful information, but risks a manager being able to deduce the pay of specific employees in outside organizations.

   Example: When Astrid accesses the benchmark of Brendt, Workday determines access to the compensation of all employees, regardless of organization, that share Brendt's job profile, compensation grade, and grade profile.

   - If yes, Astrid can see the internal benchmark derived from all employees.
   - If no, Workday determines the number of employees not in Astrid's organization sharing the same job profile, compensation grade, and grade profile. Workday then compares that number to the threshold.
     - If the number is greater than or equal to the threshold, Astrid can see the internal benchmark derived from all employees, regardless of organization.
     - If the number is less than the threshold, Astrid can only see Brendt's internal benchmark. Brendt's internal benchmark comes from those employees Astrid already has access to and that share the same job profile, compensation grade, and grade profile.

   Security: *Set Up: Compensation Benchmark* in the Core Compensation functional area.

2. Reporting on Compensation Benchmarks on page 939.

   Access the **Internal Compensation Benchmark for Workers** standard report. You can compare the current compensation assignment for the primary position to the internal benchmark on the Total Base Pay and Total Salary & Allowances compensation bases.

   You can create a custom report to display current compensation assignment for the primary position, pay range from compensation grade (profile), and internal compensation benchmark of employees.

   Security: *Worker Data: Internal Compensation Benchmark* in the Core Compensation functional area.

Related Information
Tasks
Steps: Manage External Compensation Surveys, Job Catalog, and Job Matches on page 928

Reference
[Workday Community: Overview of Primary Position Designation Impact](#)

Reporting on Compensation Benchmarks

Prerequisites

- Set up compensation survey vendors, products, and the job catalog for external benchmarks.
- Create compensation benchmark cycles for external benchmarks.
- Configure external compensation benchmarks from survey results.
- Security:

  - *Set Up: Compensation Benchmark* in the Core Compensation functional area.
  - *Worker Data: External Compensation Benchmark* in the Core Compensation functional area.
  - *Worker Data: Internal Compensation Benchmark* in the Core Compensation functional area.

Context

External compensation benchmark data comes from these sources:

- Workday generates it from compensation survey market data.
- You load it into compensation benchmark cycles.

Workday generates internal compensation benchmark data from within your tenant.

Business objects for external and internal compensation benchmark data include:

- Compensation Benchmark Composite.
- External Compensation Benchmark.
- External Compensation Benchmark Composite.
- External Compensation Benchmark Configuration.
- Internal Compensation Benchmark.

To provide data from the proper context, use compensation benchmark report fields with these adapter fields:

- External Compensation Benchmark Composite for Job Profile.
- External Compensation Benchmark Composite for Worker.
- External Compensation Benchmark for Job Profile.
- External Compensation Benchmark for Worker.
- Internal Compensation Benchmark for Worker.
- Internal Primary Compensation Basis Benchmark for Worker.

Use these data source filters to select workers or job profiles:

- Workers by Job Profile and Compensation Grade on the Workers for HCM Reporting data source.
- Job Profile by Name, Family, and Family Group on the All Active Job Profiles data source.

Large volumes of workers or job profiles increases report run times. Workday recommends that you minimize the number of workers or job profiles.

Steps

1. Access the **Create Calculated Field** task.

   Example for an external compensation benchmark:

Option	Description
Business Object	*Worker*

Option	Description
Function	*Lookup Field with Prompts*
Source Field	If you want to report the benchmark percentile value, select *External Compensation Benchmark for Worker*. If you want to report the composite target percentile, range spread, minimum, mid-point, and maximum, select *External Compensation Benchmark Composite for Worker*.
Compensation Component	Select the component you want to report on, such as Base Pay. You can create multiple calculated fields to report external compensation benchmark for different compensation components.

Example for an internal compensation benchmark:

Option	Description
Business Object	*Worker*
Function	*Lookup Field with Prompts*
Source Field	If you want to report the internal benchmark of a compensation basis, select *Internal Compensation Benchmark for Worker*.
Compensation Basis	If you use *Internal Compensation Benchmark for Worker* as the **Source Field**, select the compensation basis you want to report on, such as Base Pay. You can create multiple calculated fields to report internal compensation benchmark for different compensation bases.

2. Create a custom report to display the compensation benchmark for employees.

   For the internal compensation benchmark, copy the **Internal Compensation Benchmark for Worker(s)** standard report as a custom report.

   Example:

Option	Description
Data Source	Workers for HCM Reporting
Data Source Filter	Workers by Job Profile and Compensation Grade
Primary Business Object	Worker

   Add the calculated fields and report fields for the compensation benchmark. You can also add report fields for employee's current compensation assignments and pay range to compare with another benchmark.

   This report provides information only on the:

   • Primary position for those workers with more than 1 position.
   • Workers that match the criteria selected in the report prompts on their primary position details.

Related Information
Tasks
Steps: Configure External Compensation Benchmarks from Survey Results on page 932
Steps: Configure Internal Compensation Benchmarks on page 938

Reference: Workday Compensation Benchmark Solutions

Workday provides these compensation benchmark solutions:

External Compensation Survey Benchmark	Internal Compensation Benchmark
Workday derives the external compensation benchmark using data from external market survey vendors.	Workday derives the internal compensation benchmark using the compensation of employees sharing the same job profile, compensation grade, and grade profile in the tenant.
Steps: Configure External Compensation Benchmarks from Survey Results on page 932	Steps: Configure Internal Compensation Benchmarks on page 938

Related Information
Concepts

Setup Considerations: Compensation Survey Management and Compensation Benchmark on page 921

Steps: Set Up Benchmark Jobs

Prerequisites

Note: Workday recommends that you use our new, more robust compensation benchmarking solution, accessible through these tasks and reports:

- **Create, Edit, Review, and Delete Compensation Benchmark Cycle**.
- **Maintain Compensation Benchmark Profiles**.
- **Review Compensation Benchmark Data**.
- **View Compensation Benchmark Cycles**.

Security: *Set Up: Benchmark Jobs* domain in the Core Compensation functional area.

Context

You can manually load composite market data from compensation surveys. You can see which workers are below, at, or above market level when making compensation changes.

Steps

1. (Optional) Access the **Maintain Benchmark Job Settings** task.

Option	Description
Compare Primary Compensation Basis to Total Cash	Total Cash market data displays on market salary compensation tasks and reports for comparison.
Benchmark Percentile Defaults	Workday uses the percentiles you select here to create rows for manually entering data when creating or editing benchmark jobs.

2. Access the **Create Benchmark Job** task.
3. In the **Default Benchmark Data** section, consider:

Option	Description
Competitive Market Target	Select the percentile that you consider the at-market level for this benchmark job.
Target Spread %	The salary range that you consider your at-market level.

Option	Description
	Example: If you select 50th as your **Competitive Market Target**:
	• Enter 10% as the **Target Spread**, and
	• 50,000 as the salary **Amount** for the 50th **Percentile**.
	The salary spread for this benchmark job is 47,500 - 52,500. Any employee with a base salary that falls within this range is considered at-market level.

4. In the **Profile Market Data** section, you can define different values for specific employee populations using eligibility rules. If an employee matches the criteria defined by the eligibility rule, Workday uses the **Profile Market Data** section values instead.

Next Steps

You can access these reports:

Report	Description
Benchmark Jobs Audit	Displays a list of job profiles not associated to a benchmark job.
Direct Reports Market Position	Displays the number of workers that are Above Market, Below Market, At Market, and Blank (not mapped to a benchmark job.)
Job Profile Market Position	Compares the average total base pay to the market for selected job profiles.
Organization Market Position	Displays workers by organization that are Above Market, Below Market, At Market, and Blank (not mapped to a benchmark job).

Manage Compensation Plan Assignments

Roll Out Compensation Plans to Employees

Prerequisites

• Create compensation plans.
• Security: *Process: Compensation Plan Employee Management* domain in the Core Compensation functional area.

Context

You can assign, or roll out, compensation plans to a group of target employees. This process bypasses reviews and approvals, enabling you to assign plans to employees immediately.

You can use the **Rollout Compensation Plans to Employees** task to assign compensation plans of all types except hourly and salary. To assign hourly and salary plans, use the **Request Compensation Change** task or web service.

Steps

1. Access the **Rollout Compensation Plans to Employees** task.

2. Select an **Effective Date**.

   Workday generates *Request Compensation Change* process events that assign the plans you select to the target employees on this date.

3. Select the **Compensation Plans** to assign.

4. (Optional) Enter an **Expected End Date** and an **Actual End Date**.

   Actual End Date displays only if **Enable Actual End Date** is selected on the **Edit Tenant Setup - HCM** task.

   The **Expected End Date** is an estimate for when the employee's assignment to a salary, hourly, or allowance plan ends. To remove compensation plans from employees based on the **Expected End Date**, access the **Schedule Remove Compensation Plans with Expected End Date** task.

   If you enter an **Actual End Date**, Workday automatically removes the compensation plan assignment from the employee at 11:59:59 PM on that date. If there are future-dated events, Workday doesn't remove the plan assignment.

   The **Schedule Remove Compensation Plans with Expected End Date** task ignores compensation plan assignments with an **Actual End Date**. Workday only removes employees from compensation plan assignments on this schedule if there's no **Actual End Date** configured for the compensation plan assignment.

5. Select the employees to assign the specified plans, either **By Compensation Eligibility Rule** or **By Selected Employees**.

   If you use the **By Selected Employees** option, Workday lists the first 50 employees. Workday doesn't list any individual employees selected using **By Compensation Eligibility Rule**.

Result

As of the effective date specified, Workday generates a *Request Compensation Change* event for the target employees and adds a row to their compensation history.

Next Steps

Access the **View Compensation Plan Rollout Process** report to view complete lists of the affected employees. The **Employees receiving Compensation Plan** field displays the eligible or selected employees that are affected. The **Employees not receiving Compensation Plan** field displays the eligible or selected employees that are unaffected.

Related Information
Tasks
Create Allowance Plans on page 994
Create Commission Plans on page 998
Create One-Time Payment Plans on page 1037
Set Up Segmented Security by Compensation Plans on page 962
Steps: Set Up Bonus Plans on page 1003
Steps: Set Up Merit Plans on page 999
Steps: Manage Stock Plans and Grants on page 1021
Reference
Reference: Compensation Plan Comparisons on page 977
FAQ: Propose Compensation on page 951

Remove Compensation Plans from Multiple Employees

Prerequisites

Security: *Process: Compensation Plan Employee Management* domain in the Core Compensation functional area.

Context

Remove allowance, bonus, commission, hourly, merit, and stock plan assignments from a target population of employees. This process bypasses reviews and approvals.

Steps

1. Access the **Remove Compensation Plans from Employees** task.
2. Select the **Effective Date** on which you want this process to create the compensation change requests to remove the target employees from the specified plans.
3. Select the **Compensation Plans** (both active and inactive) that you want to remove from the target population of employees.
4. **Select Employees** to remove from the specified plans, either **By Compensation Eligibility Rule** or **By Selected Employees**.
   If you use **By Selected Employees**, Workday lists the first 50 employees either included in the process or not included because they are in a pending compensation event. Workday does not list any individual employees selected using **By Compensation Eligibility Rule**.

Related Information
Tasks
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117

Remove Compensation Plans with Expected End Date

Prerequisites

- Create allowance, hourly, and salary plans.
- Create event using the **Maintain Event Categories and Reasons** task.
- Security: *Process: Compensation Plan Events* domain in the Core Compensation functional area.

Context

Remove salary, hourly, or allowance plan assignments from a target population of employees if the compensation plan assignments have an **Expected End Date**. This administrative process and doesn't include reviews or approvals.

Steps

1. Access the **Schedule Remove Compensation Plans with Expected End Date** task.
2. In the **Process Details** section, consider:

Option	Description
Effective Date Options	Determines the date on which Workday removes the compensation plan assignments from the employee.
Effective as of Date	Available if you selected *Specific End Date* in the **Effective Date Options** field. The date on which Workday removes compensation plan assignments from the employees.
Expected End Date	Available when **Run Frequency** is *Run Now*. Workday includes in the target population employees with this expected end date on the compensation plan assignments.

Option	Description
Start Date	Available when **Run Frequency** is *Run Now*. Workday includes in the target population employees with an expected end date on or after this start date on the compensation plan assignments.
End Date	Available when **Run Frequency** is *Run Now*. Workday includes in the target population employees with an expected end date on or before this end date on the compensation plan assignments.

3. In the **Plans** section, select the compensation plans that you want to remove from the target population of employees.

You can remove active or inactive plans.

4. Click the **Schedule** tab and complete the **Recurrence Criteria** and **Range of Recurrence** information.

Available when the **Run Frequency** doesn't equal *Run Now*.

Result

As of the effective date specified, Workday generates a *Request Compensation Change* event for the target employees and adds a row to their compensation history.

This process ignores compensation plan assignments with an **Actual End Date**. Workday only removes employees from compensation plans if there's no **Actual End Date** configured.

Next Steps
Access the **View Compensation Plan Remove Process** report to view complete lists of the affected employees. The **Employees removing Compensation Plan** field displays the eligible or selected employees that are affected. The **Employees not removing Compensation Plan** field displays the eligible or selected employees that are unaffected.
Related Information
Tasks
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Steps: Propose Compensation for Employees or Positions on page 947

Set Up Adjustments to Unit Salary, Hourly, Allowance, and Commission Plans

Prerequisites

- Configure these business processes to meet your needs:

  - *Set Up Unit Salary Plan Adjustment*
  - *Set Up Hourly Plan Adjustment*
  - *Set Up Allowance Plan Adjustment*
  - *Set Up Unit Allowance Plan Adjustment*
  - *Set Up Commission Plan Adjustment*
- Define reasons for *Request Compensation Change* event using the **Maintain Event Categories and Reasons** task.

Context

You can make adjustments to a unit-based salary, hourly, allowance, and commission plans. Workday then adjusts the compensation amount for all employees in the plan.

Steps

1. Access the appropriate task:
   - **Set Up Unit Salary Plan Adjustment**
   - **Set Up Hourly Plan Adjustment**
   - **Set Up Allowance Plan Adjustment**
   - **Set Up Unit Allowance Plan Adjustment**
   - **Set Up Commission Plan Adjustment**
2. Select the compensation plan.

   If the plan you want to adjust already has an adjustment in progress, you can't select the plan.
3. (Optional) For allowance plans, select **Retain Basis Total for MBT Employees** on the **Set Up Allowance Plan Adjustment** task.

   If selected, Workday reallocates the compensation basis but retains the basis total. This option affects MBT employees assigned to an allowance plan on a compensation basis with **Retain Basis Total** selected.
4. Select the **Allowed Actions** for **Employees using Default** and **Employees using Override** for employees assigned to the plan.

Option	Description
Adjust to New Defaults	Applicable to **Employees using Default** and **Employees using Override**. Workday sets the assigned value to the new default.
Adjust by Same Amounts	Applicable to **Employees using Override**. Workday calculates the difference between the old default and the new default, and adjusts the assigned value by that difference. Example: Set the new default to 600 from 500. If the override amount is 700, Workday adjusts the assigned value to 800 because the default increased by 100.

5. Enter the new values.

Result

If you included a review step in the business process, the reviewer approves the request, denies it, or sends it back to the proposer for further revision.

Once approved, the process:

- Updates the plan definition with the new defaults so that future plan assignments have the new values.
- Assigns the plan to the employees and uses eligibility rules to determine if an employee qualifies for a plan profile.
- Creates compensation events with the new values for each impacted employee.

Next Steps

- Access the **Compensation Plan End Date Audit** report to detect employees with a future dated compensation event that conflicts with the event generated by this process.

  To correct a future dated compensation event, rescind the event and then reprocess it after the adjustment process.

Related Information
Tasks
Create Allowance Plans on page 994
Create Hourly Plans on page 989
Edit Business Processes
Create Unit Salary Plans on page 983
Create Commission Plans on page 998

Steps: Propose Compensation for Employees or Positions

Prerequisites

- Security:

  - Configure access to the domain for each plan type in both the Core Compensation and the Advanced Compensation functional areas.

    Some plan definitions restrict the ability to override values. If you're using a compensation matrix, Workday can derive the plan target for the employee only after their performance review rating exists.

    Your security policies define the sections that display and the changes you can make when proposing compensation. You can set up compensation plans to not allow individual overrides.

  - For employees managed by a compensation basis total, configure access to the *Compensation Change: Compensation Basis Details* domain in the Core Compensation functional area.

- Configure these business processes if you use the Workday Recruiting *Offer* or *Employment Agreement* business processes.

  - *Propose Compensation Offer/Employment Agreement*.
  - *Request One-Time Payment Offer/Employment Agreement*.
  - *Request Stock Grant Offer/Employment Agreement*.

Context

You can propose compensation for an employee or a candidate during these business processes:

- *Offer*
- *Employment Agreement*
- *Hire*
- *Request Compensation Change*
- *Change Job*
- *Add Additional Job*
- *Start International Assignment*

You can alternatively update compensation for groups of employees using Enterprise Interface Builder (EIB):

Employee Group	EIB
Existing employees	*Request Compensation Change*

Employee Group	EIB
New Hires	*High Volume Event - Hire Employee*

You can also assign default compensation to an approved job or position. Every employee hired into that position gets the same default compensation values.

Workday doesn't allow you to initiate a compensation change for yourself.

Steps

1. Access the **Maintain Event Categories and Reasons** task.

   Define reasons for the *Request Compensation Change* event.

2. (Optional) Access the **Configure Optional Fields** task.

   You can hide or require most fields delivered as optional on these business processes:

   - *Change Default Compensation.*
   - *Propose Compensation Change (Change Job).*
   - *Propose Compensation Hire.*
   - *Propose Compensation Offer/Employment Agreement.*
   - *Request Compensation Change.*
   - *Requisition Compensation.*

   You can set the **Criteria** column to *Hide For All* or hide from *Security Group* for the **Guidelines – Total Base Pay Range** and **Guidelines – Primary Compensation Basis Pay Range** fields.

   You can also select *Not Enterable For* (read only) in the **Criteria** column for most fields delivered as optional or required.

   Example: You want to display both Salary – Currency and Salary – Frequency during business processes as read only fields. You access the **Configure Optional Fields** task, select the Propose Compensation Change for Hire functional area, and for both Salary – Currency and Salary – Frequency select *Not Enterable For.* During the *Propose Compensation Change for Hire* process, both fields display as read only and can't be edited.

   Changes made to optional fields apply to all:

   - Compensation plan assignments that are part of the event.
   - Events already in progress and all those going forward.

   Note: Any fields configured as hidden or required remain so even when the business process is used as a subprocess of another business process.

   Security: *Set Up: Configure Optional Fields* domain in the System functional area.

3. (Optional) Configure your tenant to display only relevant plan types during the *Propose Compensation Change* process when used as a step in *Change Job*.

   You can select the **Enable Dynamic Display for Compensation Plan Sections** tenant option on the **Edit Tenant Setup - HCM** > **Compensation** task.

   If selected, Workday displays only relevant compensation plan sections during the *Propose Compensation Change* business process when used as a step on the *Change Job* business process. This applies only for an internal job change or an internal hire.

   See

Workday Proprietary and Confidential

4. (Optional) Steps: Enable Machine Learning Recommendations for Change Job

   If you opt in to machine learning, Workday recommends up to 5 compensation plans whenever you assign a new compensation plan to a worker in the *Propose Compensation Hire, Propose Compensation Change* and *Request Compensation Change* business processes.

   Example: When you add an allowance plan, Workday might suggest Car Allowance, Housing Allowance, or Meal Allowance. Workday uses machine learning to recommend compensation plans most relevant to:

   - You, when making the change, depending on how frequently and recently you assign plans.
   - The worker receiving the assignment, such as eligibility, job profile, or location.

   Workday only displays plans that are active and:

   - The worker is eligible for, unless you have the ability to assign any plan regardless of work eligibility.
   - You have security permissions to add.

5. Access the relevant task or business process:

Use this task or process...	to...
Change Job business process.	Propose new compensation when an employee changes jobs or for promotions, demotions, or transfers. Workday recommends that *Propose Compensation* is either the completion step or is before the completion step.
Create Position or *Edit Position* business processes.	Assign default compensation to a position.
Propose Compensation button in **My Tasks**.	Propose compensation for a new hire.
Request Compensation Change task.	Change an existing employee's compensation.
Start International Assignment business process.	Propose new compensation when an employee starts an international assignment.

You can display the current compensation for internal candidates on the **Maintain Localization Settings** task.

Select *Internal Candidate Compensation* for the **Area**.

Select 1 or more locations from **Allow for Countries or Regions**. Workday displays the internal candidate's current compensation only if you select their current job's primary location.

When configuring the *Change Job* or *Edit Position* business process definitions, consider including the *Propose Compensation Change* business process as a step. If not included, Workday recommends as

a best practice configuring the *Automatic Compensation Change for Position Change Event* business process security policy to match that of *Propose Compensation Change*.

Workday initiates the *Automatic Compensation Change for Position Change Event* process when both:

- The *Change Job* or *Edit Position* business process doesn't include the *Propose Compensation Change* step.
- Event transactions for either the *Change Job* or *Edit Position* processes result in a compensation-related change, such as location or FTE%.

Because the *Automatic Compensation Change for Position Change Event* process is automatic, there's no user to apply the **Employee Visibility Date** to the event.

As you propose compensation, consider:

Option	Description
Employee Visibility Date	If configured, Workday hides updated pay-related compensation data from the employee until the date. If left blank, Workday uses the effective date. See: FAQ: Employee Visibility Date on page 1101
Expected End Date	On salary, hourly, or allowance plans, the **Expected End Date** is an estimate. Access the **Schedule Remove Compensation Plans with Expected End Date** task to actually remove compensation plan assignments from employees.
Actual End Date	If displayed, the **Actual End Date** determines when Workday automatically removes the compensation plan assignment from the employee.

Fixed for Manage by Basis Total	Displays only when:
	
	• The employee is managed by basis total.
	• The Primary Compensation Basis (PCB) includes the compensation plan.
	• The compensation plan allows overrides.
	• The business process is *Change Job*, *Hire*, or *Request Compensation Change*.
	• The compensation plan is:
	
	  • Allowance Amount Plan.
	  • Allowance Unit Plan.
	  • Bonus Amount Plan.
	  • Commission Plan.
	  • Stock Amount Plan.
	
	If selected, Workday treats the assigned amount as fixed when performing a top-down calculation on the PCB.

Guidelines	If you change the **Grade Step**, the **Progression Start Date** defaults to the effective date of the compensation change event. You can change it to a future date.

Result

After the request is approved, the business process creates a compensation event for the employee that can be tracked in *Worker History*.

If you assigned default compensation to a position, Workday uses the compensation values from the position instead of eligibility rules for staffing transactions with position events.

Note: Workday doesn't rerun eligibility rules if you change plan assignments at the same time you're proposing compensation. Example: If you change a bonus plan, Workday doesn't run eligibility rules to update other compensation values during the same transaction.

Next Steps

- Access the **Schedule Remove Compensation Plans with Expected End Date** task to remove compensation plan assignments. This task ignores compensation plan assignments with an **Actual End Date**.
- To review period salary plans, use the **Period Salary Plans Manage By Compensation Basis Health** report.

Related Information
Concepts
Setup Considerations: Autocomplete Staffing Events on page 494
Remove Compensation Plans with Expected End Date on page 944
Steps: Set Up Offers on page 468
Steps: Set Up Employment Agreements on page 597
Tasks
Hide or Require Optional Fields

FAQ: Propose Compensation

How do the Expected End Date and Actual End Date fields work?	For salary, hourly, or allowance plans, the **Expected End Date** is an estimate. Access the **Schedule Remove Compensation Plans with Expected End Date** task to actually remove compensation plan assignments from employees. For compensation plan assignments with an **Actual End Date**, Workday automatically removes the compensation plan assignment at 11:59:59 PM on that date. Workday doesn't remove plan assignments when there are future-dated events on the plan assignment. **Note:** The **Schedule Remove Compensation Plans with Expected End Date** task ignores compensation plan assignments with an **Actual End Date**. Workday displays the **Actual End Date** field only if you selected the **Enable Actual End Date** field in the **Compensation** section of the **Edit Tenant Setup - HCM** task.
How does proposing compensation affect the compensation basis total?	If you make changes to the individual plans of a compensation basis, Workday recalculates the proportional plans based on the modified plan for employees managed by basis total. However,

Workday doesn't recalculate plans that are a percentage of total cash when individual plans change.

On the *Hire* and *Change Job* business processes, managers can override the amount for employees managed by a compensation basis. Workday then performs a partial calculation and recalculates only those plans that depend on the change. In this case, the period salary plan functions as a percentage-based plan. If you want to have the period salary plan function as a percentage of salary only, modify the compensation basis to contain salary only. Run the **Period Salary Plans Manage By Compensation Basis Health** report to verify your configuration.

With **Fixed for Manage by Basis Total** selected, Workday treats the assigned amount as fixed when performing a top-down calculation on the Primary Compensation Basis (PCB). This check box displays only when:

- The compensation plan is part of the PCB.
- The compensation plan is amount- or unit-based.
- The compensation plan allows overrides.

What does the Enable Dynamic Display for Compensation Plan Sections tenant option do?

If this option is selected in the Compensation section of the Edit Tenant Setup - HCM task, Workday displays only relevant compensation plan sections during the *Propose Compensation Change* business process when used as a step on the *Change Job* business process, either for an internal job change or an internal hire.

Workday determines the relevant plan sections based on worker eligibility and the security permissions for the user performing the compensation change.

Note: If the user performing the compensation change has access to the *Select Any Compensation Package* domain, Workday displays all plan sections, regardless if this option is selected or cleared.

For users with View/Modify permissions on any of these following compensation security domains:

- *Compensation Change: Allowance*
- *Compensation Change: Bonus*
- *Compensation Change: Calculated*
- *Compensation Change: Commission*
- *Compensation Change: Hourly*
- *Compensation Change: Merit*
- *Compensation Change: Period Salary*
- *Compensation Change: Salary*

- *Compensation Change: Stock*
- *Compensation Change: Unit Salary*

Workday displays the respective plan section if the worker for whom the compensation change either:

- Has an assignment of that plan type, or
- Had an assignment of that plan type but has lost the assignment because of eligibility or manual removal of the assignment.

For users with View/Modify permissions on the above domains and Modify permissions on these security domains:

- *Add Compensation Plans: Add Allowance*
- *Add Compensation Plans: Add Bonus*
- *Add Compensation Plans: Add Calculated*
- *Add Compensation Plans: Add Commission*
- *Add Compensation Plans: Add Hourly*
- *Add Compensation Plans: Add Merit*
- *Add Compensation Plans: Add Period Salary*
- *Add Compensation Plans: Add Salary*
- *Add Compensation Plans: Add Stock*
- *Add Compensation Plans: Add Unit Salary*

Workday displays the respective plan section if the worker for whom the compensation change:

- Has an assignment of that plan type, or
- Had an assignment of that plan type but has lost the assignment because of eligibility or manual removal of the assignment, or
- Is eligible for that plan type.

Related Information
Tasks
Roll Out Compensation Plans to Employees on page 942

FAQ: Compensation Defaulting

What is the difference between default compensation and compensation defaulting?

What's the advantage of using default compensation on a position?

What's the advantage of using default compensation for requisition compensation?

When does Workday default a grade or grade profile configured on a job profile?

Why doesn't Workday default compensation on the **Request Compensation Change** task?

What effect does a compensation package have on compensation defaulting?

Why do rehired employees have current assignments?

How does the Retain Basis Total option on the compensation basis affect the proposed total?

Does Workday apply compensation defaulting when Guidelines fields are changed manually?

What is the difference between default compensation and compensation defaulting?	*Default compensation* refers to the compensation attributes configured on a position. Workday automatically populates fields when filling a position

or a job from default compensation, if it's configured on the position. *Compensation defaulting* simply refers to how Workday populates compensation values.

Example: You've configured compensation for the Recruiter position but not for the Event Coordinator position. There's no offer or job requisition. When Glen hires Andrea for the Recruiter position using *Hire*, Workday automatically populates compensation from the position. When Glen hires Heather for the Event Coordinator position, Workday uses eligibility rules.

This table lists stand-alone business processes and the sources from which Workday automatically populates compensation values. For some business processes, Workday searches for compensation values in multiple sources sequentially and stops when it finds values.

Task or Business Process	Source of Compensation
Create Position and **Edit Position**	Eligibility rules. The *Change Default Compensation* subprocess of the *Create Position* process assigns compensation guidelines and plans to a position using eligibility rules. Workday assigns any changes made or additional compensation plans added during this subprocess to future staffing events.
Create Job Requisition	1. Position. 2. Eligibility rules. If you use Evergreen requisitions, Workday derives compensation values from the Evergreen requisition.
Edit Job Requisition	Eligibility rules. If you use Evergreen requisitions, Workday derives compensation values from the Evergreen requisition.
Offer and *Employment Agreement*	1. Default compensation configured on the job requisition. 2. Eligibility rules. 3. Both 1 and 2 if you configure the **Run**

Task or Business Process	Source of Compensation
	Eligibility Rules when there is Requisition Compensation prompt in the **Compensation** section on the **Edit Tenant Setup - HCM** task.
	If configured, Workday runs eligibility rules during the selected business processes even when default compensation exists on the job requisition.
	Note: Workday might populate the same compensation values regardless of the source. Example: Compensation values derived from the eligibility rules might be identical to those from the default compensation on the job requisition.
	Workday persists individual overrides from default compensation on the job requisition if the candidate is still eligible for the plan as of the hire date on the process.
	If *Offer* or *Employment Agreement* details, like location, change during a renegotiation, Workday runs eligibility rules even if default compensation exists on the job requisition.
	The *Offer* and *Employment Agreement* business processes don't use default compensation on position.
Hire	**1.** For rehires only, Workday uses compensation assignments in effect before termination. However, Workday clears the the **Expected End Date** and **Actual End Date** fields from compensation plan assignments.

Task or Business Process	Source of Compensation
	2. *Offer.* **3.** Job requisition. **4.** Position. **5.** Eligibility rules.
Change Job	**1.** *Offer.* **2.** Job requisition. **3.** Position, but only when default compensation is configured on the position and you're not using the *Change Job* Move option. When using the Move option to move a worker to a new position, Workday always uses eligibility rules even if default compensation is configured on the new position. **4.** Eligibility rules.
Request Compensation Change	No defaulting.
Request Requisition Compensation Change	No defaulting when initiated as a stand-alone business process. When included as a subprocess, the parent business process determines how compensation defaults. Example: *Request Requisition Compensation Change* as subprocess of *Job Requisition*.

What's the advantage of using default compensation on a position?

So that every employee who hires into that position receives the same compensation values.

Default Compensation enables the establishment of compensation guidelines, plans, and plan amounts on a position. Examples:

- Position budgeting.
- Tracking default compensation as budgeted or approved compensation.
- Sending target or approved compensation to an external Applicant Tracking System.
- To aid in giving concise compensation guidance to those proposing compensation.

What's the advantage of using default compensation for requisition compensation?

So that every applicant hired using the same job requisition receives consistent compensation values.

When does Workday default a grade or grade profile configured on a job profile?

Depending on the business process, when a grade or grade profile doesn't exist on the offer, job requisition, or position, Workday determines if the job profile has a grade or grade profile. If so, Workday populates compensation values in this order:

1. Grade, regardless if the eligibility rule configured on the grade applies to the employee.
2. Grade profile, only when an eligibility rule configured on the grade profile applies to the employee.

Why doesn't Workday default compensation in the Request Compensation Change task?

The **Request Compensation Change** task is for:

• Proposing a change to existing compensation for an employee, not to initially determine it.
• A single-purpose compensation change.

Workday doesn't run eligibility rules at initiation to populate plans in the **Proposed** column of the transaction. You can view the eligible plans when proposing compensation using the *By Compensation Package and Rule* or *By Compensation Rule* options.

What effect does a compensation package have on compensation defaulting?

Compensation packages group together grades, grade profiles, and compensation plans. If an employee is affected by an eligibility rule associated with a compensation package, the grades, grade profiles, and compensation plans associated with the compensation package determine compensation defaulting.

Why do rehired employees have *current* assignments?

To determine compensation for a rehired employee, Workday:

1. Reads compensation assignments in effect before the employee terminated and uses that for the initial compensation values on rehire.
2. Reads compensation values from the *Offer* business process in Workday Recruiting, if they exist. If not, Workday looks for default compensation if configured on the position. Finally, if the position doesn't have default compensation, Workday uses eligibility rules.

How does the Retain Basis Total option on the compensation basis affect the proposed total?

If you selected **Retain Basis Total** on the compensation basis, Workday populates the existing compensation basis total during the *Propose Compensation* step of the *Change Job* process. The primary compensation basis doesn't come from the job requisition. Workday then rebalances the plan assignments but keeps the

compensation basis total fixed. If **Retain Basis Total** isn't selected, Workday recalculates the compensation basis total based on the changed plan assignments.

Does Workday apply compensation defaulting when Guidelines fields are changed manually?	By default, no. However, you can configure the **Enable Defaulting Based on Changes to Guidelines** on the **Edit Tenant Setup - HCM** task to enable compensation defaulting for 1 or more of these business processes:

- *Add Additional Job (Propose Compensation Hire)*
- *Change Job (Propose Compensation Change)*
- *Employment Agreement (Propose Compensation Offer/Employment Agreement)*
- *Hire (Propose Compensation Hire)*
- *Job Requisition (Requisition Compensation)*
- *Job Requisition Change (Requisition Compensation)*
- *Offer (Propose Compensation Offer/Employment Agreement)*

Workday applies the compensation defaulting to compensation plan assignments on the business processes you select when you both:

- Base eligibility rules on Guidelines fields.
- Change any field in the Guidelines section that the eligibility rules are based on.

Related Information
Concepts
Setup Considerations: Compensation Eligibility Rules on page 898
Reference
FAQ: Employee Visibility Date on page 1101

Manage Compensation

Create Compensation Packages

Prerequisites

- Create compensation components and grades.
- Create 1 or more compensation plans to include in the compensation package.
- Security: *Set Up: Compensation Packages* domain in the Core Compensation functional area.

Context

Compensation packages group compensation guidelines and compensation plans. Example:

- Grades.
- Grade profiles.
- Steps associated with grade profiles.

A compensation package enables you to assign grades and plans to a worker simultaneously during a staffing transaction. During a staffing transaction, use eligibility rules to assign grades and plans to a worker simultaneously.

To have compensation components automatically populate for eligible employees during staffing transactions:

- Assign an eligibility rule to a compensation package.
- Associate the default grade and grade profile.
- Associate 1 or more plan with that package.

Steps

1. Access the **Create Compensation Package** task.
2. (Optional) Select one or more **Eligibility Rules** to establish who is eligible for this package.

   If you select multiple eligibility rules, Workday evaluates each rule independently. Employees are eligible if they meet the qualifications of any 1 rule.
3. Select the **Compensation Grades** to associate with this package.

   Accessible by Users Granted Segment is available only if segmented security for compensation is set up.
4. Select the **Compensation Plans** to associate with this package.

   For eligibility rules to work during staffing events, associate plans with packages.

   You can assign multiple salary plans to compensation package but each plan requires its own compensation rule.
5. (Optional) Select the **Compensation Basis** to associate with this package.

   This section is required for Workday to allocate awards to plans that make up an employee's compensation basis. You can use a total compensation amount to manage compensation review process awards or other compensation change events.

   You can only select compensation bases that have the **Manage Basis Total** check box selected.

Next Steps

- Use the **Edit Compensation Package** task to update the package.
- Assign packages to employees or update an employee's package:
  - As part of the hiring process (initial assignment only).
  - As part of the promote, demote, and transfer staffing transactions.
  - Using the **Request Compensation Change** task.

Related Information
Tasks
Steps: Set Up Compensation Grades and Grade Steps on page 904

Set Up Compensation Package Analytics

Prerequisites

Security: *Set Up: Compensation Packages* domain in the Core Compensation functional area.

Context

You can configure whether to display pay ranges, segments, guidelines, and pay range analytics on compensation-related reports and tasks, such as:

- **Request Grade Change**
- **Request Compensation Change**

- **View Compensation**
- **Direct Report Compensation Summary**

Examples:

- Select **Display Total Base Pay Range** and clear **Display Position in Range** to display the total base pay range and compa-ratio.
- Select **Display Primary Compensation Basis Range** and **Display Position in Range** and clear **Display Compa-Ratio** to display both the Primary Compensation Basis (PCB) range and the position in range.

Steps

Access the **Edit Compensation Package Analytics** task.

As you complete this task, consider:

Option	Description
Display All Segments for Total Base Pay Range **Display All Segments for Primary Compensation Basis Range**	If you select 1 or both, Workday displays all segments for the selected range. During compensation transactions, such as *Propose Compensation Change*, you can see all pay range segments, provided you have view access on 1 or both of these domains: • Worker Data: Compensation Basis Pay Range. • Worker Data: Compensation Pay Range
Display Midpoint	If selected, Workday displays the midpoint of the pay range on a worker's Compensation profile report, the **Compensation** > **View Compensation** task, and in the *Request Compensation Change* and *Propose Compensation* business processes. The compensation package must include the grades to display the midpoint.
Guidelines Warnings	Select the method for displaying guidelines warnings. A warning message displays for values above or below the pay range for the employee's total base pay or PCB.
Display Compa-Ratio **Display Position in Range**	If selected, Workday displays these fields in the **Compensation** > **View Compensation** task and in compensation change tasklets on these business processes: • *Add Additional Job* • *Change Job* • *Hire* • *Request Compensation Change* • *Start International Assignment*

Related Information
Tasks
Create Custom Labels

Reference

Restrict Viewing of Funded and Non-Funded Plan Assignments

Prerequisites

Security:

- *Set Up: Compensation Security Segments* domain in the System functional area.
- *Security Configuration* domain in the System functional area.

Context

You can create security segments that restrict specific compensation plan assignments to specific security groups.

Steps

1. Create the segments that define the plan types and plans to which you want to grant access.
   a) Access the **Create Compensation Plan Assignment Security Segment** task.
   b) Select 1 or more funded or non-funded plan types, and for each, 1 or more plans.

   The segment includes all individual plans associated with a plan type.
2. Create segment-based security groups that you want to associate with the plan assignment segments.
   a) Access the **Create Security Group** task.
   b) For **Type of Tenanted Security Group**, select *Segment-Based Security Group*.
   c) Select the **Security Groups** you want to have access to the segment.
   d) In the **Access Rights** field, select the segment you created.
3. Activate any of these domains: *Self Service: Funded Plan Assignments*, *Self-Service: Non-Funded Plan Assignments*, *Worker Data: Funded Plan Assignments*, and *Worker Data: Non-Funded Plan Assignments*.
   a) Access the **View Domain** task.
   b) Select the a **Domain**.
   c) From the related actions menu of **Domain Security Policy**, select **Domain Security Policy** > **Enable**.
   d) Select the **Confirm** check box.
   e) Repeat steps A - D for all the domains you want to activate.
   f) Access the **Activate Pending Security Policy Changes** task and confirm changes.
4. Add the segment-based security group to the domains you activated in the previous step.
   a) Access the **View Domain** task.
   b) Select the **Domain**.
   c) From the related actions menu of **Domain Security Policy** select **Domain Security Policy** > **Edit Permissions**.
   d) Add the segment-based security group to the applicable domain or business process security policies.
   e) Delete any role that displays in the list of security groups that is also part of the segment-based security group.
   f) Access the **Activate Pending Security Policy Changes** task and confirm changes.

Result

You can only see compensation plan assignments as defined by the security segments on:

- Event information

- Compensation history
- Worker history
- Worker profile
- View Plan Assignments
- View Plan Audits

Set Up Segmented Security by Compensation Plans

Prerequisites

- Analyze your organization's needs and decide whether segmented security for compensation is appropriate. Evaluate your current organizational structure and thoroughly understand segmented security requirements.
- Configure organizational hierarchies, security groups, and organizational roles.

  Note: The use of segmented security groups won't apply to every business; it involves a number of complex steps and impacts your overall compensation practice. Even if you currently use location hierarchies for other purposes, your current hierarchies might not be adequate for restricting access to compensation components. Also, intersection security, constrained job-based security groups, and rule-based security groups aren't supported for Compensation.

- Create location hierarchy organizations that parallel the segments you need.
- Security:

  - *Set Up: Compensation Security Segments* domain in the System functional area.
  - *Set Up: Tenant Setup - HCM* domain in the System functional area.
  - *Set Up: Assignable Roles* domain in the Organization and Roles functional area.
  - *Reports: Organization* domain in the Organization and Roles functional area.
  - *Security Configuration* domain in the System functional area.
  - *Worker Data: Non-Funded Plan Assignments* in the Core Compensation functional area.
  - *Self-Service: Non-Funded Plan Assignments* in the Core Compensation functional area.

Context

Segmented security groups divide access to Compensation setup data (such as Compensation Plans) among multiple Compensation Partners. Example: A business with sites in Canada, the U.S., and Mexico might require a separate Compensation Partner for each country with appropriate access to the setup data.

Note: Compensation Administrators need access to all compensation segments you create, no matter how you decide to segment your organization's compensation groups.

Steps

1. Enable the segmented security group feature for compensation.
   a) Access the **Edit Tenant Setup - HCM** task.
   b) In the **Compensation** section, select the **Enable Compensation Setup Segment Security** check box.
2. Enable the *Compensation Partner* role for the *Location Hierarchy* organization type.
   a) Access the **Maintain Assignable Roles** task.
   b) In the **Enable for Organization Types** column, add *Location Hierarchy* to any organization types already enabled.

3. In the applicable location hierarchy organization, assign the *Compensation Partner* role to the desired worker.
   a) Access the **View Organization** task.
   b) Open the applicable location hierarchy organization.
   c) From the related actions menu, select **Roles** > **Assign Roles**.
   d) In the **Assign Roles** section, select *Compensation Partner* as the **Role**, and select the desired **Worker** to whom the **Role** should be assigned.

4. Create an organization membership security group that includes the applicable location hierarchy.
   a) Access the **Create Security Group** task.
   b) For **Type of Group**, select *Organization Membership Security Group*.
   c) In the list of **Organizations**, add the desired location hierarchy to the security group.
   d) Specify whether the new organization membership security group **Applies to Current Organization Only** or **Applies to Current Organization And All Subordinates**.

5. Create an intersection security group that includes the applicable organization membership security group and the Compensation Partner security group.
   a) Access the **Create Security Group** task.
   b) For **Type of Group**, select *Intersection Security Group*.
   c) In the list of **Security Groups**, add the desired organization membership security group and the Compensation Partner security group.

6. Create a security segment for the desired compensation component, such as country.
   a) Access the **Create Compensation Setup Security Segment** task.
   b) Select the **Pay Component** (or set of components) to contain within the segment.

7. Create a segment-based security group that joins the applicable intersection security group with the applicable security segment. This is a critical step that ties together the preceding steps.
   a) Access the **Create Security Group** task.
   b) For **Type of Group**, select *Segment-Based Security Group*.
   c) In the list of **Security Groups**, add the applicable intersection security group.
   d) In the list of **Access Rights**, add the applicable security segments.

8. Repeat steps 3 through 7 for each secured compensation segment you want to create.

9. Create Segment-Based Security Groups.

   Create a segment-based security group for the Compensation Administrator that joins the Compensation Administrator with all the security segments created.

10. To use any new segment-based security group that you've created, update and activate the domain security policy and business process security policy for the Compensation functional area.
    a) Access the **Functional Areas** report.
    b) From the related actions menu for Core Compensation and Advanced Compensation, select **Functional Area** > **View Business Process Policies** (or **View Domain Policies**).
    c) Click **Edit Permissions**.
    d) Add the segment-based security group to the applicable domain security policy/business process security policy.
    e) Delete the *Compensation Partner* security group from the applicable domain security policy/business process security policy.
    f) Access the **Activate Pending Security Policy Changes** task to confirm changes.

Next Steps

You can use the **All Compensation Setup Security Segments** report to review which intersection groups constrain the segment-based security groups for a particular compensation segment or component.

Related Information
Concepts
Concept: Security Groups
Tasks
Roll Out Compensation Plans to Employees on page 942
Create Intersection Security Groups
Restrict Viewing of Funded and Non-Funded Plan Assignments on page 961
Reference
Reference: Compensation Plan Comparisons on page 977
Reference: Edit Tenant Setup - HCM

Maintain Compensation Change Templates

Prerequisites

- Access the **Maintain Change Job Templates** task and select the **Enable Enhanced UI for this Template**. See: Set Up Change Job Templates on page 768
- Add *Propose Compensation Change* as a step on the *Change Job* business process. See: Steps: Set Up Job Changes on page 758
- Add *Propose Compensation Hire* as a step on the *Hire* business process.
- Security: *Set Up: Compensation Change Templates* in the Core Compensation functional area.

Context

You can create templates for the *Propose Compensation Change* or *Propose Compensation Hire* business processes when they're included as a subprocess of *Change Job* or *Hire*, respectively. These templates determine how sections and fields are displayed in the *Propose Compensation Change* or *Propose Compensation Hire* subprocesses.

Each template applies only to the initiation step of the *Propose Compensation Change* and *Propose Compensation Hire* subprocess, not to the review and approve steps. You can configure up to 100 compensation change templates.

Steps

Access the **Maintain Compensation Change Templates** task.

To create a new template, select the **Add +** button. Otherwise, select an existing template to modify.

As you complete this task, consider:

Option	Description
Make This Template Inactive	Workday won't display an inactive template even if it's part of an in-progress compensation change event.
Select Security Groups	(Optional) Select 1 or more security groups to which the template applies. If you don't select at least 1 security group, the template applies to anyone that initiates a *Change Job* or *Hire* process that's associated with the specified Reason.
Enable for Business Process Type	Specify the business process type to which the template applies. You can specify only 1 business process type per template.
Reasons for *business process type*	Specify 1 or more reasons for the template. This field associates the compensation change template to the *Change Job* or *Hire* process, depending on what business process type you select.

Option	Description
	To associate this template with the *Change Job* process, select this template's associated *Reason* on the **Select Reason for Template** field on the **Maintain Change Job Templates** task. See: Set Up Change Job Templates on page 768
	To associate this template with the *Hire* process, select this template's associated *Reason* within the *Hire* process.
	Each reason can apply to only 1 active template and can't be shared across templates.
Select Sections for Template	Select 1 or more sections and configure 1 or more fields to display for each section.
	Each section and field you select displays during the respective *Propose Compensation Change* or *Propose Compensation Hire* subprocess.

Example

You create a compensation change template with this configuration:

Template Name	Base Pay Salary + Allowance
Select Security Groups	Left blank, so that the template applies to anyone that initiates a *Change Job* process that's associated with the specified reason.
Enable for Business Process Type	Change Job (Propose Compensation Change)
Reasons for Change Job	Change Job Details.
	The *Change Job* business process must also have the Select **Select Reason for Template** field set to Change Job Details on the **Maintain Change Job Templates** task.
Select Sections for Template	• Salary • Total Base Pay
Total Base Pay Fields to Display	Total Base Pay - Total Base Pay Detail
Salary Fields to Display	• Salary - Amount • Salary - Currency • Salary - Frequency

Next Steps

Access the **View Compensation Change Template** report.

Set Up Task Consolidation for Compensation in Recruiting

Prerequisites

• Set up consolidated tasks.

- Select the **Consolidate Tasks** check box on the business process security policy on these business processes:
  - *Offer*
  - *Employment Agreement*

Context

You can consolidate offer and employment agreement tasks into a single workbook using Worksheets, saving you time and submitting multiple tasks at once.

The *Offer* and *Employment Agreement* business processes in Workday Recruiting can include these Compensation subprocesses:

- *Propose Compensation Offer/Employment Agreement*
- *Request One-Time Payment Offer/Employment Agreement*
- *Request Stock Grant Offer/Employment Agreement*

Note: Consolidated Task functionality doesn't support all the fields available in a non-consolidated workflow and doesn't support Manage by Basis Total.

Steps

1. Configure Modify access on these domains in the Core Compensation functional area:

   - Add Compensation Plans: Add Allowance.
   - Add Compensation Plans: Add Calculated.
   - Add Compensation Plans: Add Commission.
   - Add Compensation Plans: Add Hourly.
   - Add Compensation Plans: Add Period Salary.
   - Add Compensation Plans: Add Salary.
   - Add Compensation Plans: Add Unit Salary
   - Compensation Change: Guidelines.

2. Configure Modify access on these domains in the Advanced Compensation functional area:

   - Add Compensation Plans: Add Bonus.
   - Add Compensation Plans: Add Merit.
   - Add Compensation Plans: Add Stock.

3. Configure View access on these domains in the Core Compensation functional area:

   - Compensation Change: Manage Compensation Basis.
   - Compensation Change: Total Base Pay.

Related Information
Tasks
Steps: Set Up Offers on page 468
Steps: Set Up Employment Agreements on page 597
Steps: Set Up Task Consolidation for Offers on page 472

Steps: Analyze Pay Equity

Context

You can analyze and report on pay equity for these areas: ethnicity, age group, and gender. You can set up either or both:

Pay Equity Discovery Board	The Pay Equity Discovery Board combines data from Staffing, Talent and Performance, and Compensation. It provides a starting point for your pay equity analysis. The discovery board consists of 2 sheets, each with several visualizations: • Current Worker Data: Visualizations use the Workers for HCM Reporting indexed data source. • Compensation Events: Visualizations use the Completed Employee Compensation Events for HCM Reporting indexed data source.
Pay Equity Dashboard	Enables you to monitor and report on potential gender pay and equity issues.

Steps

1. (Optional) Set up the Pay Equity Discovery Board.
   a) Access the Delivered Discovery Board task.
   b) Select **Pay Equity**, select **Make a Copy**, and save it in your Drive.
   c) Open your copied discovery board and select filters.

      As a best practice, Workday recommends that you select filters that limit the number of employees analyzed to less than 10,000.

   Workday updates indexed data sources and fields every hour.

   Security:

   - *Discovery Boards: Administration* in the System functional area.
   - *Discovery Boards: Create* in the System functional area.
   - *Discovery Boards: Manage Delivered Discovery Boards* in the System functional area.
   - *Worker Data: Compensation by Organization* in the Core Compensation functional area.

2. (Optional) Set up the Pay Equity Dashboard.
   a) Select the **Enable Worker Trending** check box on the **Edit Tenant Setup - Reporting and Analytics** task.
   b) Set up a security group that is unconstrained and has access to these domains:

      - *Pay Equity Dashboard* in the Core Compensation functional area.

        Workday recommends that you consult with your legal team about access to sensitive pay equity data before adding any security groups to the *Pay Equity Dashboard* domain.
      - *Person Data: Gender* in the Personal Data functional area.
      - *Trended Worker Data* in the Staffing functional area.
      - *Worker Data: Compensation by Organization* in the Core Compensation functional area.
      - *Worker Data: Current Staffing Information* in the Staffing functional area.
      - *Worker Data: Performance Reviews* in the Performance Enablement functional area.
      - *Worker Data: Public Worker Reports* in the Staffing functional area.

      Workday delivers the dashboard empty.
   c) Workday recommends that you add these reports to the dashboard, configured as worklets:

      - **Average Compa-Ratio by Country & Gender**
      - **Average Compa-Ratio by Gender**
      - **Average Compa-Ratio by Job Family Group & Gender**
      - **U.S. Average Base Pay by Performance Rating & Gender**

      You can also run these reports individually or use them to create custom reports.

Related Information
Concepts
Concept: Dashboards

Configure Scramble Plans for Compensation

Prerequisites

- Review Concept: Data Scrambling.
- Security: *Scrambler Administration* domain in the System functional area.

Context

You can scramble or remove compensation data in Implementation tenants for training and testing purposes, or to cloak sensitive information.

Note: Scrambling permanently changes or removes data. Scramble data in Implementation tenants only.

When you submit more than 1 scramble field at a time, Workday removes data before scrambling. Example: When you configure both the **Removal of Compensation Assignments and Payments** and **Allowance Plans** scramble fields, Workday removes plan assignments, leaving no allowance plan assignments to scramble.

Note: Workday doesn't scramble plan defaults that equal zero.

Steps

1. Access the **Create Data Scramble Plan** task.
2. As you complete the **Compensation** section, consider these scramble fields and scramble methods:

Option	Description
Allowance Plans **Bonus Plans** **Commission Plans** **Merit Plans** **One-Time Payment Plans** **Stock Plans**	Select: • Any option beginning with **Input Value, Increment Profiles, and Update**. For each plan type, select a scramble method and enter values for **Amount**, **Percent**, or the **Number of Units** and **Per Unit Amount**. Workday scrambles: • Amount-based plan defaults, assignments, and payments to the value specified for **Amount**. For commission plans, Workday scrambles both the amount and the draw amount. • Percent-based plan defaults and assignments to the value specified for **Percent**. • Unit-based plan defaults and assignments to the values specified for **Number of Units** and **Per Unit Amount**.

Option	Description
	• **Set to Plan or Plan Profile Default** Workday: • Overrides compensation assignments and payments with individual targets. • Sets the plan or plan profile default to plan assignments, payments, and any grants. For commission plans, Workday scrambles both the amount and the draw amount. Workday assigns the new scrambled default or profile default value to those employees that don't have individual targets on their plan, depending on their eligibility.
Compensation Elements **Compensation Grades, Grade Profiles, and Grade Hierarchies** **Compensation Packages** **Compensation Plans**	For both methods, Workday generates a generic name for each object and appends a dash and the next number in sequence. Example: *General Salary Plan* renamed to *Salary Plan - 1*. Select: • **Scramble to Number Sequence (Names and Descriptions)** • **Scramble to Number Sequence (Names, Descriptions, and Reference IDs)** Workday also renames all object Reference IDs to match the name of the scrambled object.
Compensation Pay Ranges	Select: **Input Percentage Variance** and enter the percentages to decrease the minimum and increase the maximum. Workday: • Selects random values according to your input percentage variance settings for the minimum and the maximum. • Recalculates the segments in between evenly. Workday recalculates segments the same as the **Calculate Segments** check box on the **Create Compensation Grade** task.
Removal of Compensation Assignments and Payments	Remove all guidelines, plan assignments, and payments. Or, remove selected plan assignments and payments, but not guidelines. • **Remove All Guidelines, Plan Assignments, and Payments** • **Remove Selected Plan Assignments and Payments**
Removal of Compensation Review Data	Workday removes all compensation review: • Plan assignments. • Employee or organization-specific award data. • Scorecards and profiles. • Organization / budget pool contributions. • Statements.
Salary and Hourly Plans	Select:

Option	Description
	• **Input Percentage Threshold for Salary and Hourly Assignments** Workday scrambles all salary and hourly plan assignment values to a random value between the minimum and your specified threshold percentage of the total base pay range. Example: The total base pay range for an hourly plan is 10 through 20. You want to scramble that to a random point between the minimum (10) and 50% of the range (15), so you enter 50 for the threshold percentage. Workday scrambles the hourly plan assignment to 12, which is a random point between the minimum of 10 and the threshold percentage of 15. • **Input Value and Update Assignments** Enter values for hourly plan defaults, hourly assignments, and salary assignments. Workday: • Sets hourly plan defaults and assignments to the value you specify for **Hourly Assignments**. • Sets salary assignments to the value you specify for **Salary Assignments**.

Related Information
Concepts
Concept: Data Scrambling
Setup Considerations: Data Scrambling
Tasks
Steps: Scramble Tenant Data
Examples

Example: Compensation Pay Ranges Scramble Field

Context

You want to scramble compensation pay ranges on your Implementation tenant.

Steps

1. Select the **Compensation Pay Ranges** scramble field.
2. Select the *Input Percentage Variance* scramble method.
3. Enter 10 for **Variable % Decrease for Minimum**.
4. Enter 5 for the **Variable % Increase for Maximum**.

Result

For an employee with a **Pay Range Minimum** of 50,000 and a **Pay Range Maximum** of 150,000, Workday:

• Scrambles to random values according to your input variance percentage settings for the pay range minimum and maximum.

- Recalculates the segments in between evenly.

Pay Range Minimum	Because you entered 10 for the **Variable % Decrease for Minimum**, Workday scrambles (decreases) to a random value from 1 through 10 percent, from 45,000 through 50,000.
	In this example, Workday randomly selects 6.4%: 50,000 - (50,000 * 0.064) = 46,800.
Pay Range Maximum	Because you entered 5 for the **Variable % Increase for Maximum**, Workday scrambles (increases) to a random value from 1 through 5 percent, from 150,000 through 157,500.
	In this example, Workday randomly selects 2.2%: 150,000 + (150,000 * 0.022) = 153,300.
Pay range segments.	Workday recalculates segments evenly, exactly as if you selected the **Calculate Segments** check box on the **Create Compensation Grade** task: • Minimum = 46,800. • Segment 1 Top = 82,300. • Segment 2 Top = 117,800. • Maximum (or Segment 3 Top) = 153,300. • Midpoint = 100,050.

Reference: Full Time Equivalent in Compensation

Workday provides these Full Time Equivalent (FTE) settings that affect calculations:

Option	Configuration	Description
Use 100% FTE for Pay Range Comparisons	**Edit Tenant Setup - HCM** > **Compensation**	If selected, Workday divides part-time employee by the FTE % before comparing it to the range midpoint, minimum, maximum and segments when calculating: • **Compa-Ratio** • **Position in Range** • **Pay Range Segment** If one of the compensation plans assigned to an employee has the **Use Assigned Value in 100% Calculations** option selected, Workday uses the assigned plan amount instead of dividing the assigned amount by the FTE %. See ../../../manage-workday/tenant-configuration/tenant-setup/dan1370797339945.dita
Paid FTE	**Staffing** section on **Maintain Localization Settings**	If selected, Workday uses the paid FTE override on the position to prorate compensation plans or calculate 100% FTE plan values. See Concept: Working Time on page 527
Apply FTE%	When creating or editing: • Allowance plans.	If selected on a compensation plan, Workday prorates the plan assignment amount for part-time employees based on their FTE.

Option	Configuration	Description
	• Unit-based Allowance Plans. • Amount-based Bonus plans. • Salary plans.	When **Paid FTE** is enabled, Workday prorates using the paid FTE override on the position. Otherwise, Workday calculates FTE by dividing **Scheduled Weekly Hours** by **Default Weekly Hours** when proposing compensation during these business processes: • *Add Job* • *Change Job* • *Edit Position* • *Employment Agreement* • *Hire* • *Offer* • *Start International Assignment* See Create Salary Plans on page 981
Use Assigned Value in 100% Calculations	When creating or editing: • Amount-based Allowance plans. • Unit-based Allowance Plans. • Amount-based Bonus plans. • Salary plans.	If selected, Workday uses the assigned amount on the plan as the fixed proration value and the 100% value in calculations. When the check box is cleared, Workday divides the assigned amount by the employee's FTE for 100% FTE calculations. Example: You assign a worker with 50% FTE amount-based Bonus Plan A for 1,000 and amount-based Allowance Plan B for 1,000. You select the **Use Assigned Value in 100% Calculations** for Bonus Plan A and **None of the above** for Allowance Plan B. The 100% FTE value calculated for Bonus Plan A is the assigned amount of 1,000. Workday doesn't divide this amount by the worker's FTE. The 100% FTE value calculated for Allowance Plan B is 2,000, which equals the assigned amount (1000) divided by the employee's 50% FTE (0.5): (1000/0.5 = 2000). Workday doesn't apply this option to workers Managed by Basis Total or to calculated plans that reference plans with this option selected. See Create Bonus Plans on page 1006
FTE Changes in Period	On the **Create Time Proration Rule** task.	If selected, Workday creates a proration segment for each event that can change the FTE% during the compensation review process period. For percent-based bonus plans, Workday applies the FTE% to the basis to determine the merit or bonus target. For amount-based bonus plans, Workday applies the FTE% to the target award amount the employee is eligible for. Example: You configure an amount-based bonus plan with an FTE time proration rule. Ben has an FTE change during the process period of the compensation review. Workday calculates proration segments based on Ben's FTE changes.

Option	Configuration	Description
		See Create Time Proration Rules for Compensation Reviews on page 1072

Related Information
Reference

2023R2 What's New Post: Flexibility in 100% Assigned FTE

Reference: Benefits and Pay Hub

The **Benefits and Pay** hub provides a single location for employees to review and maintain their benefits, compensation, payroll information. Employees can also access related reports.

Security:

- *Self-Service: Benefits and Pay Hub*
- *Self-Service: Compensation History*

Note: Workday controls the visibility of any control or report in the **Benefits and Pay** hub by the security of the related action, report, or business process. Examples:

- Employees in a security group with access to the *Self-Service: Benefits (My Tax Documents) - USA* security domain can view and print their ACA forms.
- Employees can see the **Change Retirement Savings** option if you modify the business process policy for the *Change Retirement Savings* business process.

Worklet	Description	Additional Information
Overview	Provides a current view of an employee's benefit, pay, and compensation with links to detailed reports. Employees can view and modify payment and withholding elections, initiate benefit changes, and view arrears balances and tax documents. A **Needs Attention** section displays if the worker has an active benefit event for either open enrollment or life events.	
Benefits	Enables employees to: • View their current benefit elections. • View expanded details for a benefit plan from the **Benefit Elections** page. • View their benefits as of a specified date. • Change their benefits elections. • Change their retirement savings elections and contributions. • View their dependents.	• Steps: Set Up Employee Benefit Plans on page 1196 • Manage Dependents and Beneficiaries on page 1398

Worklet	Description	Additional Information
	• View and edit their beneficiaries. • View and print their ACA forms.	
Pay	Enables employees to: • Access all their available payslips and tax documents. • Access the **Most Recent Pay** card to review gross and net pay on their most recent payslips. • Access the **Deduction** card to review deductions on their most recent payslips. • Access the **Accounts** section where they can view, add, or update their accounts for receiving pay. • Access links to useful payroll reports, dashboards, and tasks. • Add new or edit existing withholding elections for workers in Canada and the U.S. using the Federal, State, Local, and Provincial Withholdings buttons. **Note:** Workday doesn't support some withholding features, like federal, state, and local withholding forms or multiple worksite reporting, for workers on international assignment, either in the U.S. or elsewhere. • Review and add voluntary deductions. • Review flexible payments and deductions requests. • Review arrears balances and payments. • Switch positions if they're in Canada or the U.S. and have multiple jobs. • View and update payment, tax, and tax form printing elections. • View their additional payroll data when they belong to a third-party pay group and you	• Steps: Set Up Payroll Processing • Steps: Create Earnings • Steps: Create Deductions • Define Payslips • Concept: Additional Payroll Data

Worklet	Description	Additional Information
	have configure the Additional Payroll Data feature.	
Compensation	Enables employees to: • View their bonus and one-time payment history. • Request a one-time payment for themselves (self-service), if configured. • View their compensation review statements. • View their total rewards. • View their compensation history (self-service, if configured) and a summary of each position for which they receive compensation. • View their current or upcoming period activity pay. • View their stock grants.	• Steps: Set Up and Manage One-Time Payments on page 1035 • Steps: Enable Self-Service One-Time Payments on page 1042

Related Information
Tasks
Set Up Hubs
Reference
2025R1 Feature Release Note: Benefits and Pay Hub Enhancements
2022R2 What's New Post: Benefits and Pay Hub

Reference: Out of Order Changes and Effective Dating

Workday uses the most recent **Effective Date** when processing out of order changes to:

• Allowance plans.
• Commission plans.
• Grades.
• Grade profiles.
• Hourly plans.
• Period salary plans.
• Salary plans.
• Steps.
• Unit salary plans.

When you create or edit compensation plans or guidelines, you must set future effective dates. Over time, you might make several edits to the same plan or guideline, and on each occasion set a different effective date.

Note: Workday doesn't require that effective dates be in chronological order. Workday applies your changes based only on the effective date, not the date you make the edits.

You can edit a plan on Monday with an effective date 1 year into the future. You can then edit the same plan on Tuesday with an effective date of Wednesday, only 1 day into the future. These edits are out of order because the second edit takes effect a year before the first.

Consider developing policies and procedures for managing changes to your compensation plans and guidelines.

You change the name and description of a salary plan, then select **Exclude from Merit**.

Edit Order	Effective Date	Action	Result
1	2000-01-01	You create the plan.	The plan becomes effective 2000-01-01.
2	2021-12-01	You change the plan name and description.	Plan name and description edits become effective 2021-12-01.
3	2010-05-01	You select the **Exclude from Merit** check box.	Because the effective date of this edit falls before and out of order with the second edit, it applies from 2010-05-01 through 2021-11-30. The entire plan configuration resulting from the second edit, effective on 2021-12-01, overwrites the third edit and clears the **Exclude from Merit** check box. To enable **Exclude from Merit**, you must edit the salary plan a fourth time and set the effective date after 2021-12-01.

You make edits to a compensation grade and add new grade profiles.

Edit Order	Effective Date	Action	Result
1	2000-01-01	You create a compensation grade with these profiles: USA, CAN, and MEX.	The compensation grade has 3 profiles from 2000-01-01 through 2021-09-30: USA, CAN, MEX.
2	2022-02-01	You update the compensation grade and add these new profiles: JPN and KOR.	The compensation grade has 5 profiles from 2022-02-01 to the present: USA, CAN, MEX, JPN, KOR. Because the entire grade configuration resulting from the second edit has the latest effective date, Workday overwrites the third edit with a previous effective date of 2021-10-01.
3	2021-10-01	You update the compensation grade and add a new profile: FRA.	This change is out of order to the second edit, which is effective 2022-02-01. The compensation grade has 4 profiles from 2021-10-01 through 2022-01-31: USA, CAN, MEX, FRA. Because this edit has an earlier effective date than the second edit, Workday overwrites the FRA profile on 2022-02-01.

You make edits to the compensation steps for a compensation grade on the **Maintain Compensation Steps** task.

Edit Order	Effective Date	Action	Result
1	2000-01-01	You create compensation step AAA.	The compensation grade has 3 profiles from 2000-01-01 through 2021-09-30: USA, CAN, MEX.
2	2022-02-01	You edit the **Interval** for compensation step AAA.	This edit overwrites the progression rule added with the out of order third edit on compensation step AAA.
3	2018-03-01	You add a progression rule for compensation step AAA You create compensation step BBB.	The progression rule for step AAA applied from 2018-03-01 through 2022-01-31. The compensation step BBB applies from 2018-03-01 to the present. The edit made effective 2022-02-01 applies only to compensation step AAA, not the grade.

Reference: Compensation Plan Comparisons

This chart describes the differences between the various types of Workday compensation plans to help you determine which plan type to use.

Plan Type	When do I use this plan type?	How do I assign employees to the plan?	How do the employees get paid?	What is the result?
Salary	Use to associate eligible salaried employees with the appropriate base salary compensation elements.	• As part of the Hire transaction. • As part of another staffing transaction (promote, demote, transfer). • As a result of using the **Request Compensation Change** task.	Workday automatically feeds the compensation to payroll for the regular pay period payment.	Workday pays employees the indicated amount.
Hourly	Use to associate eligible hourly employees with an hourly rate amount.	• As part of the Hire transaction. • As a result of using the **Request Compensation Change** task. • As part of another staffing transaction (promote, demote, transfer).	Workday sends the compensation and actual hours to payroll for the regular pay period.	Workday uses the indicated hourly amount to calculate how much to pay employees in their regular pay checks.
*Merit	Use to group employees (using eligibility rules) who are going to get a change to their base	• As part of the Hire transaction. • As part of another staffing transaction	You can create a specific merit plan, which generates a request for each person in	Simply being in a merit plan doesn't affect pay. Workday changes the employee's

Plan Type	When do I use this plan type?	How do I assign employees to the plan?	How do the employees get paid?	What is the result?
	pay, and optionally, a promotion or additional adjustments. You can also add bonus and stock components to merit plans. If you want to give 1 person a raise, use the **Request Compensation Change** task.	(promote, demote, transfer). • Through the **Rollout Compensation Plans to Employees** task. • As a result of using the **Request Compensation Change** task.	the plan to get a base pay change. A change to the base pay amount automatically flows to payroll.	compensation based on approved changes made during the compensation review process..
*Bonus	Use to group people together who are all going to get a bonus payment at the same time.	• As part of the Hire transaction. • As part of another staffing transaction (promote, demote, transfer). • Through the **Rollout Compensation Plans to Employees** task. • As a result of using the **Request Compensation Change** task.	A compensation review process with bonus awards generates a request for each person enrolled in the plan to get a portion of the bonus pool. The manager or administrator then determines the amount for each person and whether to pay the target amount in 1 payment or in predefined installments (tranches). You can also load these amounts using the EIB. The approved bonuses automatically flow to payroll.	Simply being in a bonus plan doesn't affect pay. At the end of the compensation review process, Workday passes the bonus amount or tranche to payroll.
*One-Time	Use to give an employee a payment for something such as an incentive bonus.	Workday doesn't assign the plan type to the employee but makes it available for assignment.	Request and complete a one-time payment transaction, which automatically flows to payroll for payment.	The result is a payment amount flowing to payroll.
*Period Salary Plan	Use to give an employee extra months, weeks, or days of pay.	• As part of the Hire transaction. • As part of another staffing transaction	Workday sends the amount specified in the period salary plan to payroll	Workday sends the payment amount to payroll.

Plan Type	When do I use this plan type?	How do I assign employees to the plan?	How do the employees get paid?	What is the result?
		(promote, demote, transfer). • As a result of using the **Request Compensation Change** task.	for inclusion with regular pay.	
*Commission	Use to store the target amount for commission.	• As part of the Hire transaction. • As part of another staffing transaction (promote, demote, transfer). • Through the **Rollout Compensation Plans to Employees** task. • As a result of using the **Request Compensation Change** task.	Workday doesn't pay out commission plans. You can integrate with a third-party sales incentive management application to pay the commissions appropriately.	This type of plan stores a target amount for assigned employees.
Allowance	Use for compensation paid on a regular basis, such as a monthly cell phone allowance. Allowance plans can also be reimbursable as an expense item paid through the expense process, not Payroll.	• As part of the Hire transaction. • As part of another staffing transaction (promote, demote, transfer). • Through the **Rollout Compensation Plans to Employees** task. • As a result of using the **Request Compensation Change** task.	The amount specified in the allowance plan automatically flows to Payroll for inclusion with the employee's regular pay, unless **Reimbursable** is selected. Reimbursable allowance plans are expense items and don't flow through Payroll.	The result is an additional amount paid to an employee with their regular pay, unless the plan is **Reimbursable**.
*Stock	Use to group people together who are all going to get a stock grant at the same time.	• As part of the Hire transaction. • As part of another staffing transaction (promote, demote, transfer). • Through the **Rollout Compensation Plans to Employees** task. • As a result of using the **Request**	Workday doesn't pay out stock plans. You can integrate with a third-party stock administration application to handle vesting and other stock administration needs.	The stock grants based on this type of plan store stock grant details for employees.

Plan Type	When do I use this plan type?	How do I assign employees to the plan?	How do the employees get paid?	What is the result?
		Compensation Change task.		
*Future Payment Plan	Use alone or consider targets from other bonus or one-time payment plans to pay an employee a target amount. Enables administrator to true up any remaining balance in a final payment at the end of the period.	Administrators can assign an employee to the plan using the **Assign Future Payment Plans** task.	Administrators can launch a future payment plan, which generates a request for each person enrolled in the plan to get a portion of the bonus pool. The administrator then determines the amount for each person. The approved bonuses automatically flow to payroll.	Simply being in a future payment plan doesn't affect pay. To participate in a future payment plan, assign an employee to the plan and to any other bonus plans relevant for calculating the true up.

These compensation plans are discretionary. Employees aren't paid from discretionary compensation plans in every pay period.

To view:

- All compensation-related reports, run **Workday Standard Reports**. Select the *Compensation* and *Set Up Compensation* categories.
- A complete list of your compensation plans, access the **Compensation Plans** report.
- Employees assigned to various compensation plans, access the **View Compensation Plan Rollout Process** report or the **Compensation Component Assignments** report.
- All the employees in any compensation plan, run the **Compensation Plan Assignments** report.
- Employees assigned a specific plan, except future payment plans or one-time payment plans, select **[plan type]** > **[plan type] Assignments** from the related actions menu of the plan. Example: **Merit Plan** > **Merit Plan Assignments.**

Related Information
Tasks
Roll Out Compensation Plans to Employees on page 942

Salary Plans

Steps: Set Up Salary Plans

Prerequisites

Set up compensation components and grades.

Steps

1. Create Salary Plans on page 981.
2. Create Unit Salary Plans on page 983.

3. Create Period Salary Plans on page 984.

Create a plan that enables you to assign extra months, weeks, or days of pay to employees.

Next Steps

You can:

* Assign the salary plan to a compensation package.
* Assign the salary plan to new hires.
* Assign the salary plan to promoted, demoted, and transferred employees.

Related Information
Tasks

Roll Out Compensation Plans to Employees on page 942

Create Salary Plans

Prerequisites

* Set up compensation components and grades.
* Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

Create a salary plan that you can then assign to eligible employees.

Steps

1. Access the **Create Salary Plan** task.
2. In the **Details** section, select the **Inactive** check box if you don't want the plan available for use with new processes. Processes already in progress using this plan complete as normal.
3. In the **FTE** section, consider

Option	Description
Apply FTE%	If selected, Workday prorates the bonus for part-time employees assigned to this plan based on their FTE.
	You can enable **Paid FTE** in the Staffing section on the **Maintain Localization Settings** task. If enabled, Workday prorates using the paid FTE override on the position. Otherwise, Workday calculates FTE by dividing **Scheduled Weekly Hours** / **Default Weekly Hours** when proposing compensation during these business processes:
	* *Offer.* * *Employment Agreement.* * *Hire.* * *Change Job.* * *Edit Position.* * *Add Job.* * *Start International Assignment.*
Use Assigned Value in 100% Calculations	For amount-based plans only. This option doesn't apply to workers Managed by Basis Total (MBT).
	If selected, Workday uses the assigned amount on the plan as the fixed proration value and the 100% value in calculations.

Option	Description
	If not selected, Workday divides the assigned amount by the employee's FTE for 100% FTE calculations.
	Example: You assign a worker with 50% FTE amount-based Salary Plan A for 1,000 and amount-based Allowance Plan B for 1,000. You select the **Use Assigned Value in 100% Calculations** for Salary Plan A and **None of the above** for Allowance Plan B.
	The 100% FTE value calculated for Salary Plan A is the assigned amount of 1,000. Workday doesn't divide this amount by the worker's FTE. The 100% FTE value calculated for Allowance Plan B is 2,000, which equals the assigned amount (1000) divided by the employee's 50% FTE (0.5): (1000/0.5 = 2000).
None of the Above	Workday doesn't apply FTE% and doesn't use the assigned plan value in 100% calculations.
Rounding Rule	Displays only when you've selected **Apply FTE%** and the worker's FTE% is less than 100%.
	For MBT workers with prorated compensation, Workday ignores any rounding rule on the salary plan. In addition, Workday doesn't round the salary amount for any Compensation business process that doesn't have an associated **Pay Group**.
	Workday calculates **Salary Assignment** from the worker's **Pay Group Frequency** for the position being evaluated, rounds, and converts the value to **Plan Frequency**.

4. In the **Salary Defaults** section, select a **Compensation Element**.

   Compensation elements store the earnings associated with compensation. If you select a compensation element designated as base pay, Workday includes the compensation in the employee's base pay calculation.

5. In the **Plan Eligibility** section, select 1 or more eligibility rules.

   Eligibility rules determine which employees are eligible for this plan. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the plan. Employees are eligible if they meet the qualifications of any 1 rule. You can only use individual rules once in the plan and profiles.

6. Select the **Exclude from Merit** check box if you don't want this plan to be available when you initiate a compensation review process.

Next Steps

You can:

- Assign the plan to employees on the **Request Compensation Change** task or web service.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Salary Plan** report for detailed information on a specific plan.
- Access the **Edit Salary Plan** task.

  You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks
Reference
Examples

Create Unit Salary Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

Create a unit salary plan that you can then assign to eligible employees.

Steps

1. Access the **Create Unit Salary Plan** task.
2. In the **Salary Defaults** section, consider:

Option	Description
Compensation Element	Compensation elements store the earnings associated with compensation.
	If you select a compensation element designated as base pay, Workday includes the plan's compensation in the employee's base pay calculation.
Unit	Select the unit for measuring the work performed.
Per Unit Amount	Enter the amount paid for each unit of work performed.
Default Units	Enter the number of units an employee is expected to work for the specified time period.
	Units multiplied by per unit amount determine an employee's pay. This is only used as a guideline and can be overridden.
	If you select a compensation element designated as base pay, then Workday includes the plan's compensation in the employee's base pay calculation.
Frequency	Select the time frame in which an employee gets paid for the number of units worked.
	Workday calculates pay for employees by using the employee's scheduled weekly hours or a user-

Option	Description
	defined annualization factor, as defined in the frequency definition. To ensure the proper calculation method, use the **Maintain Frequencies** task to review the calculation method for the selected frequency.
No Override	Select this check box to prevent these values from being overridden.

3. In the **Plan Eligibility** section, select 1 or more rules.

   Eligibility rules determine which employees are eligible for this salary plan. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the plan. Employees are eligible if they meet the qualifications of any one rule.

Next Steps

You can:

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Salary Plan** report for detailed information on a specific plan.
- Access the **Edit Salary Plan** task.

   You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Adjust default values for assigned plans on the **Set Up Unit Salary Plan Adjustment** task.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks
Steps: Set Up Salary Plans on page 980
Set Up Adjustments to Unit Salary, Hourly, Allowance, and Commission Plans on page 945

Create Period Salary Plans

Prerequisites

- Set up compensation components and grades.
- Create compensation basis.
- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

Create a plan that enables you to assign extra months, weeks, or days of pay to employees.

Steps

1. Access the **Create Period Salary Plan** task.
2. In the **Details** section, select Inactive to indicate the plan isn't available for use.

   Processes already using plans marked Inactive complete as normal.

3. In the **Period Salary Defaults** section, consider:

Option	Description
Compensation Element	Compensation elements store the earnings associated with compensation.
	If you select a compensation element designated as base pay, Workday includes the plan's compensation in the employee's base pay calculation.
Compensation Period Multiplier	Multiplies the **Compensation Period**. (Up to 2 decimal places allowed.)
	Example: If the **Compensation Period Multiplier** is 15.50 and the **Compensation Period** is Day, Workday assigns 15.50 extra days to pay employees.
Compensation Basis	Available if you select the **Percent Based Plan** option.
	Select the compensation basis Workday uses to determine the target amount (if the worker isn't managed by a compensation basis) for this plan. If the worker is managed by a compensation basis, Workday doesn't exclude this plan when calculating the target amount.
	If you select a compensation basis that includes this plan, Workday excludes this plan when calculating the employee's target amount.
	If you select a subtractive compensation basis, Workday subtracts the subtractive basis amount from the worker's primary compensation basis before calculating the percentage-based target amount.
	If the plan is part of a compensation basis that has the **Manage Basis Total** check box selected, you can't change the selected compensation basis. In this case, the period salary plan works like any other proportional plan. Workday allows individual plan changes in business processes that allow compensation changes.

4. In the **Plan Eligibility** section, select 1 or more rules.

Eligibility rules determine which employees are eligible for this period salary plan. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the stock plan. Employees are eligible if they meet the qualifications of any one rule.

5. (Optional) Complete the **Period Salary Plan Profiles** section.

This enables you to have different payout amounts for different groups of employees.

Example: You can set up 1 profile where the target for an individual employee is 2 months total base pay and another with 3 months total base pay.

Next Steps

You can:

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Salary Plan** report for detailed information on a specific plan.
- Access the **Edit Period Salary Plan** task.

    You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks

Hourly Plans

Steps: Set Up Minimum Wage for Hourly Plans

Prerequisites

To use city, county, and local rates delivered by Workday, specify a **Local Minimum Wage Authority** on the location of a business site. See Steps: Set Up Local Minimum Wage Rates.

Context

You can configure minimum wage on an hourly plan using:

- A flat rate, or Custom Minimum Wage.
- Minimum wage rates maintained by Workday Payroll, or Payroll Authority Minimum Wage.
- A calculation, or Calculated Minimum Wage.

Configuring minimum wage for hourly plans helps you:

- Support minimum wage requirements for hourly workers.
- Simplify administrative processes related to minimum wage management by automatically updating minimum wage assignments when rates change.
- Improve accuracy by reducing manual entry errors when assigning minimum wage.

Payroll Authority Minimum Wage functionality is available to all HCM customers. However, hourly plans that are configured with Payroll Authority Minimum Wage can only use rates that Workday Payroll delivers. Currently, Workday delivers rates in the following locations:

- United States
- Canada

Steps

1. (Optional) Access the **Create Security Policy for Domain** task.
Complete the task:

Option	Description
For Domain	Select *Set Up: Payroll Authority Minimum Wages View*.
Confirm	Select the check box.
Security Group	Add *Compensation Administrators*.
View	Select the check box.
Modify	Select the check box.

This security policy enables the Compensation Administrators to view Payroll Authority Minimum Wage tables and related reports.

Security: *Security Configuration domain* in the System functional area.

2. (Optional) Activate Pending Security Policy Changes.

Workday Proprietary and Confidential

3. Configure a minimum wage type on your hourly plan and edit the status of the **Enforce Minimum Wage** check box.

   You can use the:

   - **Create Hourly Plans** or the **Edit Hourly Plans** task. See Create Hourly Plans on page 989.
   - *Put Compensation Plans* EIB.
   - **Set Up Hourly Plan Adjustment** task only for hourly plans configured without minimum wage or configured with Custom Minimum Wage.

4. Assign new or update existing minimum wage assignments for workers to comply with the minimum wage amount on the hourly plan.

   You can:

   - Use the *Hourly Plan Assignment Updates for Worker by Position* mass operation type on the **Mass Operation Management** task. See Steps: Set Up Mass Operations for Minimum Wage on page 988.
   - Update assignments manually using the *Request Compensation Change* web service. See Concept: Request Compensation Change EIB.
   - Use the **Set Up Hourly Plan Adjustment** task to update assignments only for workers who are assigned an hourly plan configured without minimum wage or configured with Custom Minimum Wage.

5. Access the **Minimum Wage Audit for Worker Assignments by Position** report.

   Identify workers paid below the minimum wage amount that you configured for the hourly plan.

   Security: *Worker Data: Staffing Reports with Compensation Data* domain in the Staffing functional area

6.

Result

Workday applies the minimum wage that you configured to workers who:

- Are assigned a new hourly plan.
- Have an existing hourly plan assignment.

Workday doesn't display the **Minimum Wage** field in the **Hourly Plan** tasklet for hourly plans that use Payroll Authority Minimum Wage or Calculated Minimum Wage when:

- There's no table data available for the worker's location.
- The calculated value for minimum wage is zero.

Next Steps

Because the **Minimum Wage** field in the **Hourly Plan** tasklet of compensation events is based on the hourly plan's configuration, the field's value could update while an event is in progress. As a best practice, we recommend you verify that the proposed hourly plan assignment's **Amount** reflects:

- The most recent **Minimum Wage** value.
- Your original intended compensation change in each business process review step.

If you didn't select the **Enforce Minimum Wage** check box on the hourly plan, you can configure:

- Validation conditions for business process steps on an hourly plan that doesn't enforce minimum wage. See Steps: Configure Business Process Definitions.
- Minimum wage validations for compensation reviews using the **Minimum Wage Amount** report field.

You can also configure custom notifications to alert Compensations Administrators about:

- The status of minimum wage compliance across your workforce on the **Minimum Wage Audit for Worker Assignments by Position** report.
- Updated minimum wage rates on the Payroll Authority Minimum Wage tables from the **Payroll Compliance Update Documentation** report.

Related Information
Tasks
Set Up Adjustments to Unit Salary, Hourly, Allowance, and Commission Plans on page 945
Create Custom Notifications
Examples
2025R1 Feature Release Note: Minimum Wage in Compensation

Steps: Set Up Mass Operations for Minimum Wage

Context

When you first assign an hourly plan to a worker, Workday populates the value of the **Minimum Wage** field as the default assignment **Amount** for a worker in a compensation event. This **Amount** value isn't updated automatically if there are changes to the **Minimum Wage** field due to:

- Workday-delivered Payroll Authority Minimum Wage rate updates.
- Recalculations of the minimum wage configured on the hourly plan.

To automatically update hourly plans that use Payroll Authority Minimum Wage or Calculated Minimum Wage, you can use the **Mass Operational Management** task to:

- Help you support compliance by scheduling daily updates for minimum wage rates on hourly plan assignments.
- Efficiently modify the minimum wage rate for a large number of workers with hourly plans by reducing manual maintenance.

Steps

1. Create a Segment-Based Security Group for Mass Operations.

   On the **Create Security Group** task, select:

Option	Description
Type of Tenanted Security Group	*Segment-Based Security Group*
Security Groups	- *HR Administrator* - *Compensation Administrator*
Access to Segments	*Hourly Plan Assignment Updates*

2. Edit Domain Security Policies.

   Grant your segment-based security group View and Modify permissions to the *Mass Operation Management* domain in the System functional area.

3. Copy Reports.

   Create a copy of the **Minimum Wage Audit for Worker Assignments by Position** standard report.

4. (Optional) Access the **Maintain Event Categories and Reasons** task.

   Define the reason for the *Request Compensation Change* event.

   Security: *Set Up: Staffing* domain in the Staffing functional area.

5. Set Up Mass Operations.

   Complete the **Mass Operation Management** task:

Option	Description
Mass Operation Type	Select *Hourly Plan Assignment Updates for Worker by Position*.

Option	Description
Input Report	Select your copy of the **Minimum Wage Audit for Worker Assignments by Position** standard report.
Run Frequency	Schedule the desired frequency you want Workday to run the report.

6. Complete the **Mass Operation Configuration** section:

Option	Description
Validate Only	Select this check box to only view proposed assignment updates.
Effective Date	Enter the date for when you want the compensation event to take effect.
As-of Date	Enter the date for when you want the proposed new **Minimum Wage** amount to take effect.
Hourly Plan	Select at least one hourly plan to update the worker assignments assigned to the plan.
Action	When you select *Adjust to New Defaults*, Workday assigns the hourly plan value to a worker based on the **As-of Date**.
	When you select *Adjust by Custom Amount*, enter a flat amount for Workday to use to adjust a worker's hourly assignment without changing the hourly plan default.
	Example: You enter *5* for **Adjust by Custom Amount** to update Terry's hourly rate from 10.00 USD to 15.00 USD.
	Note: Workday doesn't process **Adjust by Custom Amount** as an override for the worker.

Result

Workday updates minimum wage assignments for all workers on the hourly plans that you selected.

You can view **Positions Processed** and **Positions Bypassed in the Results** section of the Mass Operation Management background process to identify workers whose assignments weren't updated and why.

Create Hourly Plans

Prerequisites

- Set up compensation components and grades.
- Security in the Core Compensation functional area:
    - *Set Up: Base and Plan* domain.
    - *Set Up: Payroll Authority Minimum Wages View* domain. This domain is required only if you want to view the**Payroll Authority Minimum Wages** report and **Payroll Compliance Update Documentation** report.

Context

You can create or update an hourly plan that you assign to eligible employees. You can also annualize hourly plans by setting the annualization factor on the **Maintain Frequencies** task.

Steps

1. Access the **Create Hourly Plan** task.
2. From the **Minimum Wage** prompt in the **Minimum Wage** section:

Option	Description
Calculated Minimum Wage	Select this option to use an **Amount Calculation** in the Compensation category when defining minimum wage on the plan.
	When you use this option, you can use one hourly plan for workers across multiple countries by not selecting an option for **Currency**.
	Example: You want to calculate your minimum wage by using a minimum wage rate maintained by Payroll while paying 2.00 USD above the Workday-delivered minimum wage rate.
Custom Minimum Wage	Select this option to enter a flat rate **Amount** that defines the minimum wage in the regulatory region where this hourly plan is in use.
	Example: You want to set minimum wage of the hourly plan to 18.00 USD.
Payroll Authority Minimum Wage	Select this option to use the rates delivered by Workday in the Payroll Authority Minimum Wage tables.
	When you use this option, you can set up separate hourly plans by country to specify a **Currency** per hourly plan.
	In compensation events, the **Minimum Wage Amount** is based on the current **Minimum Wage** rate in the Payroll tables as of the event's effective date.
	Workday uses the worker's location to:
	• Identify which rates to use. • Select the highest rate from federal, state, and local authorities.
	Example: You want to assign the mandated minimum wage rate to hourly workers in San Francisco as of 07/01/24, which is 18.67 USD.
	When a worker is assigned to multiple positions, Workday assigns a minimum wage rate based on the location of the position associated with the compensation business process.
	You can access the **All Payroll Authority Minimum Wages** report to review the minimum wage rates.

3. (Optional) In the **Minimum Wage** section, select the **Enforce Minimum Wage** check box to display a critical error message in compensation events.

   This critical error prevents users from assigning an **Amount** that's below the minimum wage rate configured on the hourly plan.
4. In the **Hourly Defaults** section:

Option	Description
Compensation Element	Compensation elements store the earnings associated with compensation.

Option	Description
	If you select a compensation element designated as base pay, Workday includes the compensation for a plan in the employee's base pay calculation.
Currency	If configured, the hourly plan's **Currency** overrides the currency setting: • The compensation grade or grade profile. • Your tenant's default currency. As a best practice, Workday recommends that when you configure the **Currency** field, consider how it interacts with these minimum wage types: • Payment Authority Minimum Wage • Calculated Minimum Wage See Concept: Minimum Wage in Compensation on page 991.
Frequency	Select *Hourly* so that the employee gets paid by the hour. Workday calculates pay for employees by using the employee's scheduled weekly hours or a user-defined annualization factor, as defined in the frequency definition.

5. In the **Plan Eligibility** section, select 1 or more rules.

   Employees are eligible if they meet the qualifications of any 1 rule. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the plan.

6. In the **Plan Eligibility** section, select the **Exclude from Merit** check box if you don't want this plan to be available when you initiate a compensation review process.

Next Steps

You can:

- Assign the plan to employees on the **Request Compensation Change** task or web service.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Hourly Plan** and **View Hourly Plan Usage** reports.
- Access the **Edit Hourly Plan** task. You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Update default values for new and assigned plans or adjust existing assignments using the **Set Up Hourly Plan Adjustment** task. You can only use this task for hourly plans configured without minimum wages or configured with Custom Minimum Wage.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks
Set Up Adjustments to Unit Salary, Hourly, Allowance, and Commission Plans on page 945
Steps: Set Up Compensation Components on page 895
Steps: Propose Compensation for Employees or Positions on page 947

Concept: Minimum Wage in Compensation

Enforce Minimum Wage

When you select the **Enforce Minimum Wage** check box, Workday:

- Enforces the minimum wage rate set on the plan.

- Triggers a critical error if you try to assign an **Amount** less than the default **Minimum Wage** configured on the hourly plan.

When you assign minimum wage to a worker, you must enter an assignment amount that's equal to or greater than the recommended rate in the **Minimum Wage** display field, which uses the amount from the hourly plan. These validations help identify and reduce errors due to assignments or changes to a worker's mandated minimum wage rate.

When the **Enforce Minimum Wage** check box is cleared, Workday doesn't display a critical error.

Updating Hourly Plans with Minimum Wage

When you change them minimum wage type on an existing hourly plan, consider both the current and proposed minimum wage types when applying changes to workers' assignments:

Current Minimum Wage Type	Proposed Minimum Wage Type	Recommended Related Tasks or EIB
- No minimum wage - Custom Minimum Wage	- Custom Minimum Wage - No minimum wage	You can use the **Set Up Hourly Plan Adjustment** task. Note: You can't assign an **Amount** using the **Edit Hourly Plan** task or the *Put Compensation Plan* EIB for these minimum wage types.
- Payroll Authority Minimum Wage - Calculated Minimum Wage	- No minimum wage - Custom Minimum Wage	You can: 1. Update the minimum wage type on the **Edit Hourly Plan** task. 2. Enter an **Amount** on the **Set Up Hourly Plan Adjustment** task.

Currency and Minimum Wage in Compensation

As a best practice to help you maintain compliance, Workday recommends that when you configure the **Currency** field on the hourly plan, consider:

Currency Configured on Hourly Plan?	Minimum Wage Type Selected?	Considerations
Yes	*Payment Authority Minimum Wage*	Workday: - Converts the currency of the Payment Authority Minimum Wage rate to the currency specified on the plan. - Displays worker assignments in that currency.
No	*Payment Authority Minimum Wage*	Workday assigns currency based on the pay range grade or grade profile, if configured, or your tenant's default currency. The currency set on the Payroll

Currency Configured on Hourly Plan?	Minimum Wage Type Selected?	Considerations
		Authority Minimum Wage rate doesn't affect plan assignments.
Yes	*Calculated Minimum Wage*	Workday converts Calculated Minimum Wage to the currency specified on the plan.
No	*Calculated Minimum Wage*	Workday assigns currency based on the pay range grade or grade profile, if configured, or the tenant's default currency.

Minimum Wage in Compensation Events

You can use the **Minimum Wage** field on the **Hourly Plan** tasklet of compensation events to review and verify the minimum wage rate configured on the plan. Workday populates this field based on:

• The minimum wage configured on the hourly plan.
• The compensation event's effective date.

The **Hourly Plan** tasklet automatically populates the value of the **Minimum Wage** field into **Amount** only when you first assign an hourly plan to a worker. For existing assignments, Workday doesn't automatically update the **Amount** assigned to a worker. If the minimum wage on an hourly plan has changed, Workday displays:

• The updated rate in the **Minimum Wage** field.
• The current **Amount** assigned before the worker's hourly plan changed.

If you don't manually update the assignment **Amount**, there could be differences between the **Minimum Wage** field and the **Amount** assigned to a worker.

As a best practice to help you maintain minimum wage assignments for compliance, we recommend that you:

• Enforce minimum wage on your hourly plans.
• Schedule mass operations for minimum wage to run daily on the current date.

Report Fields for Minimum Wage

You can use these fields to customize reports and to configure calculations for hourly plans with Calculated Minimum Wage:

Field	Business Object	Description
Minimum Wage		Indicates if an hourly plan has a configured minimum wage.
Minimum Wage Amount	Compensation Plan Assignment	Displays the minimum wage rate for a worker based on: • Their hour plan assignment. • The effective date.
Minimum Wage Amount - Current	Compensation Assignment Proposal	Displays the current minimum wage rate for a worker based on the effective date.

Field	Business Object	Description
Minimum Wage Amount - Proposed	Compensation Assignment Proposal	Displays the proposed minimum wage rate for a worker based on the effective date.

Related Information
Reference
Reference: View Tax Authority Data (USA)
Reference: View Tax Authority Data (CAN)

Allowance Plans

Create Allowance Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

You can create allowance plans for employees as part of their regular paycheck using the pay calculation process.

Examples:

- A cell phone allowance for a flat amount of 150 USD per month.
- An off-site reimbursement allowance of 10 percent of an employee's base pay salary per month to offset temporary relocation.
- A car allowance of 300 miles per week paid at 3 USD per mile.

You can link allowance plans to expense items and pay out to employees using the settlement process. Example: A tuition reimbursement program for a flat amount of 2,500 USD, or a specific number of units per quarter.

Steps

1. Access the **Create Allowance Plan** task.
2. Select:

Option	Description
Reimbursable	Select this option to link the allowance plan with an expense item. The expense item for reimbursement accounts must have an **Expense Item Amount Type** of **Based on Allowance Plan**. See: dan1370797733661.dita If selected, you can't: - Add a compensation element to this plan. - Update the **Percent Based Plan** options. You can access the **View Reimbursable Allowance Plan Activity** report and configure it

Option	Description
	to display on the **View Worker**, **Worker Profile**, and **Talent Profile**.
Amount Based Plan	Targets for the plan are based on a fixed monetary amount.
Percent Based Plan	Targets for the plan are based on a percentage of salary. This option isn't available if you selected the **Reimbursable** option.
Unit Based Plan	Targets for the plan are based on a number of units.

3. In the **Details** section, consider:

Option	Description
Inactive	Select this check box if the plan isn't available for use. Processes already using this plan complete as normal.
Expense Item	Available if you select the **Reimbursable** option. To be part of a settlement process, the plan must be linked to the **Expense Item**.
Expense Accumulator	Available if you select the **Reimbursable** option. Workday Expenses provides these options: • *Month to Date* • *Month with Custom Start Date* • *Year to Date* • *Year with Custom Start Date*
Allow Overage	Displays if you select the **Reimbursable** option.

4. In the **FTE** section, consider:

Option	Description
Apply FTE%	Select this check box to prorate the compensation for employees assigned to this plan based on their full-time equivalent hours percentage. You can enable **Paid FTE** in the Staffing section on the **Maintain Localization Settings** task. If enabled, Workday prorates using paid FTE on compensation plans. Otherwise, Workday calculates FTE by dividing `Scheduled Weekly Hours / Default Weekly Hours` when proposing compensation during these business processes: • *Offer* • *Employment Agreement* • *Hire* • *Change Job* • *Edit Position*

Option	Description
Use Assigned Value in 100% Calculations	For amount or unit-based plans only. This option doesn't apply to workers Managed by Basis Total (MBT).
	If selected, Workday uses the assigned amount on the plan as the fixed proration value and the 100% value in calculations.
	If not selected, Workday divides the assigned amount by the employee's FTE for 100% FTE calculations.
	Example: You assign a worker with 50% FTE amount-based Bonus Plan A for 1,000 and amount-based Allowance Plan B for 1,000. You select the **Use Assigned Value in 100% Calculations** for Bonus Plan A and **None of the above** for Allowance Plan B.
	The 100% FTE value calculated for Bonus Plan A is the assigned amount of 1,000. Workday doesn't divide this amount by the worker's FTE. The 100% FTE value calculated for Allowance Plan B is 2,000, which equals the assigned amount (1000) divided by the employee's 50% FTE (0.5): (1000/0.5 = 2000).
None of the Above	Workday doesn't apply FTE% and doesn't use the assigned plan value in 100% calculations.

5. In the **Allowance Defaults** section, consider:

Option	Description
Compensation Basis	Available if you select the **Percent Based Plan** option.
	Select the compensation basis Workday uses to determine the target amount (if the worker isn't managed by a compensation basis) for this plan. If the worker is managed by a compensation basis, Workday doesn't exclude this plan when calculating the target amount.
	If you select a compensation basis that includes this plan, Workday excludes this plan when calculating the employee's target amount.
	If you select a subtractive compensation basis, Workday subtracts the subtractive basis amount from the worker's Primary Compensation Basis before calculating percentage-based target amount.
Compensation Element	Unavailable if you select the **Reimbursable** option.
	Compensation elements store the earnings associated with compensation.
	If you select a compensation element designated as base pay, Workday includes the plan's compensation in the employee's base pay calculation.
Amount	Displays if you select the **Amount Based Plan** option.
	Enter the flat amount to be paid to the employee.

Option	Description
Percent	Displays if you select the **Percent Based Plan** option. Enter the percent to use to determine the amount to be paid to the employee: `Allowance = (percent) X (base pay)`
Number of Units	Displays if you select the **Unit Based Plan** option. The number of units to be paid to the employee.
Unit	Displays if you select the **Unit Based Plan** option. The measurement in which the employee is paid.
Per Unit Amount	Displays if you select the **Unit Based Plan** option. The monetary value associated with each unit.
Currency	Displays if you select the **Amount Based Plan** or **Unit Based Plan** options. The currency in which the allowance is paid.
Frequency	Identifies how often you want the allowance to be paid.
No Override	To prevent the override of these values for employees assigned to the plan, select this check box. • Amount • Percent • Number of Units • Per Unit Amount • Currency

6. (Optional) Configure a ceiling for a percent-based allowance plan.

   Enter a **Ceiling Amount** and a **Ceiling Currency** to place an upper limit on the allowance plan.

7. In the **Plan Eligibility** section, select 1 or more eligibility rules.

   You can't use an eligibility rule more than once in a plan.

   Eligibility rules determine which employees are eligible for this plan. Employees are eligible if they meet the qualifications of any 1 rule. If you select multiple eligibility rules, Workday evaluates each rule independently to determine employee eligibility for the plan.

8. If you selected an Amount Based or Percent Based plan option, select **Exclude from Merit** if you don't want this plan available when you initiate a compensation review process.

9. In the **Allowance Plan Profiles** section, configure these:

Option	Description
For amount-based plans	**Amount**, **Currency**, and **Eligibility Rule**.
For percent-based plans	**Percent, Eligibility Rule**, and **Compensation Basis**.
For unit-based plans	**Number of Units**, **Per Unit Amount**, **Currency**, and **Eligibility Rule**.

If you're defining the plan to have multiple targets, it enables you to create a single plan for what are effectively multiple plans. Example: You can set up one profile where the target for individual contributors is 500 USD and the target for directors is 1000 USD.

Next Steps

You can:

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access these reports: **Allowance Plan**, **Allowance Plans**, and **View Allowance Plan Usage**.
- Access the **Edit Allowance Plan** task.

  You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Adjust default values for assigned plans on the **Set Up Allowance Plan Adjustment** or **Set Up Unit Allowance Plan Adjustment** tasks.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Concepts
Concept: Compensation Basis on page 1048
Tasks
Roll Out Compensation Plans to Employees on page 942
Set Up Adjustments to Unit Salary, Hourly, Allowance, and Commission Plans on page 945
Reference
Reference: Full Time Equivalent in Compensation on page 971

Commission Plans

Create Commission Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Commissions* domain in the Core Compensation functional area.

Context

Create or update a commission plan that you can then assign to eligible employees. Example:

- Field Sales Commission
- Inside Sales Commission

Steps

1. Access the **Create Commission Plan** task.
2. Select either **Amount Based Plan** or **Percent Based Plan**.
3. In the **Details** section, select the **Inactive** check box if the plan isn't available for use.
   Processes already using this plan complete normally.
4. In the **Commission Defaults** section, consider:

Option	Description
Compensation Element	Select the element mapped to a payroll earning you want associated with this plan.
	Compensation elements store the earnings associated with compensation.

Option	Description
	If you select a compensation element designated as base pay, then Workday includes the plan's compensation in the employee's base pay calculation.
Amount	Workday uses this amount if it can't find another target value for the employee.
Percent	You can use percent-based commission plans as part of an on target earnings structure that sets commission target as a percentage of a compensation basis. You can't include percent-based commission plans in compensation review processes.
Currency	Enables you to manage a commission plan in a single currency, but still accommodate employees with various currencies.

5. In the **Plan Eligibility** section, select 1 or more eligibility rules.

6. In the **Draw Defaults** section, the information you enter is for informational purposes and passing to a third-party commission application.

7. Complete the **Commission Plan Profiles** section:

   If you're defining the plan to have multiple targets, the plan profiles section enables you to associate different targets for different eligibility rules. Example: you can set up 1 profile where the target for individual contributors is 500 USD and another where the target for directors is 1000 USD.

Next Steps

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access these reports: **Commission Plan**, **Commission Plans**, **View Commission Plan Usage**, and **Workers on Commission Plans**.
- Access the **Edit Commission Plan** task.

  You can update default values only for plans not yet assigned to employees. You can, however, update the **Compensation Element** field regardless if the plan is assigned or not.
- Adjust default values for assigned plans on the **Set Up Commission Plan Adjustment** task.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks

Reference

Merit Plans

Steps: Set Up Merit Plans

Prerequisites

Set up compensation components and grades.

Context

Merit plans can change base pay or promote employees to another grade or job (within the managers span of control). After you create the merit plan and assign it to employees, you use the compensation review process to implement proposed pay changes. These changes can rely on an optional compensation matrix.

Steps

1. (Optional) Steps: Create a Compensation Matrix on page 1062.

   If you want guidelines for minimum and maximum amounts when giving merit awards, you can create a compensation matrix.

2. (Optional) Create Eligibility Waiting Periods for Compensation Review Processes on page 1071.

3. (Optional) Create Time Proration Rules for Compensation Reviews on page 1072.
   Create or update the time proration rule you intend to use in the plan.

4. (Optional) Create Compensation Rounding Rules on page 1075.

   You can associate rounding rules with merit, bonus, or stock plans, or with compensation bases managed by a compensation basis total.

   Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

5. (Optional) Steps: Manage Compensation Basis on page 1044.

6. Create Merit Plans on page 1000.

Next Steps

You can also **Create** or **Edit Compensation Packages** to add the plan to the appropriate compensation package.

Related Information

Tasks

Roll Out Compensation Plans to Employees on page 942

Reference

Reference: Compensation Plan Comparisons on page 977

FAQ: Compensation Reviews on page 1095

Create Merit Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Steps

1. Access the **Create Merit Plan** task.

2. In the **Award Calculation** section, consider:

Option	Description
Manage Basis Total	Select if you want to apply merit increases to the total Primary Compensation Basis (PCB) for an employee, instead of to total base pay. During a compensation review process, Workday automatically allocates amounts to the individual plans that make up the employee's PCB.
Allow Target Override	This makes the **Individual Target** field available for entry on the **Request Compensation Change**

Option	Description
	task and in compensation assignments for staffing events that include this plan.
Hide Target from Security Groups	Select 1 or more security groups from which to hide funded plan targets.
	Workday hides the funded plan target beginning on the effective date of the plan. Reports that display plan assignments hide plan targets only when the plan is in effect.
	Workday doesn't hide funded plan targets during the *Initiate Compensation Review Process* or during the *Offer* or *Employment Agreement* business processes in the Task Consolidation context.
Target %	Enter the recommended increase percentage. You can enter up to 4 decimal places.
	Available for percentage-based plans only. Required for all merit plans that use a compensation matrix or multiple targets.
	Workday uses this value if it can find no other target increase percent for the employee. This can happen when employees:
	• Have no individual target.
	• Aren't eligible for any of the multiple plan profile targets.
	• Are eligible for multiple plan profile targets.
	• Have no target pulled from a compensation matrix.
	You can use a **Target %** for single-target merit plans. Doing so gives you the option to create a merit plan without using it to budget for merit increases.
	Note: Always run the **Employees without Unique Targets** audit report before launching the compensation review process to identify the employees without a unique target.
Target Amount	Available for amount-based plans only. Enter the recommended positive or negative amount with up to 4 decimal places. Use the **Target Amount** to assign employees identical merit increases (or decreases).
	You can select amount-based merit plans when creating a compensation matrix.
Reference Currency	This enables you to manage a merit plan in a single currency, but still accommodate employees who use a variety of currencies.

Option	Description
Reference Frequency	Workday uses this frequency to calculate the actual cost of the award, plus or minus any currency fluctuations.
Subject to Statutory Minimum	Applies to percentage-based plans only. Select to indicate that the plan is subject to statutory increases. If selected as of the **Process Period End Date**, Workday lists plans subject to a statutory minimum when you initiate a compensation review process. Workday uses the statutory minimum percentage you enter to calculate the merit pool if greater than the merit plan target percentage.
Compensation Matrix	Select to base merit increases on factors such as employee's performance reviews and potential ratings.
Use as Reference Only	Available if you select a compensation matrix. Select if you don't want Workday to calculate the individual target or pool amount using the selected compensation matrix. Workday displays only the percentage when proposing the employee award.
Time Proration Rule	Select a rule to prorate employees' target compensation in a compensation event for this plan according to time-based criteria such as leave of absence or time since hire.

3. (Optional) In the **Plan Eligibility** section, select a **Waiting Period**.

   You can also access the **Create Eligibility Waiting Period** task.

   A waiting period restricts eligibility until after the employee satisfies the waiting period criteria. By using a waiting period, you can assign the plan at any time and rely on the waiting period to control eligibility.

   If the waiting period is still in effect as of the **Process Period End Date** configured on the compensation review process, Workday:

   • Includes the employee as an exception.
   • Sets the suggested target percent (and prorated target increase percent, if applicable) to zero.

   The pool doesn't reflect the employee target and managers can override the zero target value.

4. In the **Process Eligibility** section, consider:

Option	Description
Include Active Employees Assigned Plan During Process Period	If selected, employees assigned to the plan during the process period, but not currently assigned to the plan, are eligible for an award.
Include Active Employees in Waiting Period	Select if you want to include employees assigned to the plan but are in a waiting period included in a compensation review process. Workday doesn't calculate the employee target amounts, which display as zero.

5. In the **Merit Plan Profiles** section, enter a **Target %** and select an **Eligibility Rule**:

This enables you to create a single budget for what are effectively multiple plans.

You can set up 1 profile with a target for individual contributors at 3 percent and a target for directors at 6 percent.

When the merit plan has multiple targets (plan profiles), Workday calculates the merit pool based on the appropriate target for each employee. Workday uses the **Eligibility Rule** on the plan profiles. The appropriate target percentage displays on the employee compensation. If Workday doesn't find a unique target using eligibility rules, it uses the target percentage from the plan defaults.

Result

When the compensation review process generates the merit pool, it accounts for the rules, profiles, and other settings in the plan. This enables you to make sound budgeting decisions. The combined use of a compensation matrix and a performance management review type enables you to pay employees for performance based on completed review results.

Next Steps

You can:

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Merit Plan** and **Merit Plans** reports.
- Access the **Edit Merit Plan** task.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks
Steps: Set Up Merit Plans on page 999
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Create Compensation Rounding Rules on page 1075
Reference
FAQ: Compensation Reviews on page 1095
FAQ: Merit, Bonus, and Stock Pool Calculations on page 1102
FAQ: Rounding and Precision in Compensation Review Calculations on page 1107

Bonus Plans

Steps: Set Up Bonus Plans

Prerequisites

Set up compensation components and grades.

Steps

1. (Optional) Steps: Create a Compensation Matrix on page 1062.

To pay for employee performance, create or update the compensation matrix for use with the plan.

If you must update the compensation eligibility rules for an existing compensation matrix, change the rules using the **Edit Compensation Matrix Rules** task.

2. (Optional) Define Employee Review Types on page 1508

   To pay for employee performance or view it as part of the bonus proposals, create or update the review type for the plan.

3. (Optional) Create Eligibility Waiting Periods for Compensation Review Processes on page 1071

4. (Optional) Create Time Proration Rules for Compensation Reviews on page 1072

5. (Optional) Create Compensation Scorecards on page 1011

   Workday factors company performance into the bonus pool only if you add the scorecard to the bonus plan and you have a qualifying performance results set.

6. (Optional) Create Compensation Rounding Rules on page 1075

   You can associate rounding rules with merit, bonus, or stock plans, or with compensation bases managed by a compensation basis total.

   Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

7. (Optional) Steps: Manage Compensation Basis on page 1044

   To use Compensation Basis to calculate the target bonus of employees in percent-based plans, configure the Compensation Basis settings for your tenant.

8. (Optional) Create Deferred Bonus Calculations on page 1013

9. Create Bonus Plans on page 1006

Related Information
Tasks
Roll Out Compensation Plans to Employees on page 942
Reference
Reference: Compensation Plan Comparisons on page 977

Steps: Pay for Company Performance

Prerequisites

Establish the compensation structure for the bonus plan.

Context

Factor company performance into the bonus funding.

Steps

1. Concept: Company Performance Options on page 1017
   Decide how you want to fund bonuses for the organizations within the company.

2. (Optional) Edit Business Processes

   Add the *Manage Bonus Process Funding* as the last step of the compensation review business process.

   Example: This step enables you to adjust the bonus funding percent on approved bonuses as the last step on the compensation review process.

   If you're not using this optional step for the organization, Workday recommends using the completion step that comes in the standard business process setup.

3. Create Compensation Scorecards on page 1011
   Create or update the performance scorecard for the company.

   You can also import scorecard data into Workday with the *Put Compensation Scorecard* Enterprise Interface Builder (EIB) web service.

4. (Optional) Create Compensation Scorecard Results on page 1012

Define the criteria for rating the performance of the company. You can rate company performance at any time during the compensation review process but when you rate performance affects bonus funding defaults.

If you want company performance results factored into the bonus funding pool, create them before rolling out the bonus to organizations. You can add or create them later during the *Manage Bonus Process Funding* step.

5. (Optional) Create Bonus Plans on page 1006
Add the company performance scorecard to a bonus plan.

6. Roll Out Compensation Plans to Employees on page 942
If the bonus plan is new, roll out the bonus plan to a target population of employees.

7. (Optional) Access the **Maintain Bonus Accrual Estimates** report.

You can estimate and report on bonus costs using compensation review initiation criteria, including organizations, bonus plans, and date parameters.

Security: *Process: Compensation Management Events* domain in the Advanced Compensation functional area.

8. Initiate Compensation Review Processes on page 1114

9. Steps: Recalculate Bonus Targets, Pool, and Awards During Compensation Reviews on page 1121

Steps: Set Up Eligible Earnings Overrides for Bonuses

Prerequisites

Define your bonus plans and related compensation structure.

Context

Define eligible earnings when you want to use a specific value as an employee's estimated earnings to calculate their percent of salary-based bonuses. Eligible earnings overrides can only be used in compensation review processes that include bonus awards.

Steps

1. In the **Create Eligible Earnings Override Period** task, define the eligible earnings period.

Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

2. Create Bonus Plans on page 1006
To use eligible earnings as the basis for calculating bonuses, select **Eligible Earnings Override** as the compensation basis.

3. Create Eligible Earnings Overrides for Bonus and Stock on page 1070
Define the eligible earnings for the employee, including the amount, the applicable period, and the applicable bonus plans.

4. (Optional) Before running the compensation review process, view the **Employees without Eligible Earnings Override** report.

Ensure that you defined eligible earnings for all employees assigned to the bonus plan who should be receiving the bonus. To define eligible earnings, select **Compensation** > **Create Eligible Earnings Override** from the worker's related action menu.

5. Initiate Compensation Review Processes on page 1114
To calculate bonuses based on the eligible earnings, run the process for the bonus plan and eligible earnings period.

Create Bonus Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can create bonus plans to assign to employees. When Workday generates the bonus pool as part of a compensation review process, it takes into account the rules and target profiles in the bonus plan.

When creating bonus plans, consider how you want to:

- Divide or consolidate bonus plans, by region, job level, job profile, or grade.
- Set up targets for each bonus plan, such as no target, a single target, or multiple targets.

Steps

1. Access the **Create Bonus Plan** task.
2. In the **Details** section, consider:

Option	Description
Inactive	Select if the plan isn't available for use. Processes already using this plan will complete as normal.
Compensation Element	Select the element mapped to the payroll earning you want associated with this plan.

3. In the **FTE** section, consider:

Option	Description
Apply FTE%	For amount-based plans only.
	If selected, Workday prorates the bonus for part-time employees assigned to this plan based on their FTE.
	You can enable **Paid FTE** in the Staffing section on the **Maintain Localization Settings** task. If enabled, Workday prorates using the paid FTE override on the position. Otherwise, Workday calculates FTE by dividing **Scheduled Weekly Hours** / **Default Weekly Hours** when proposing compensation during these business processes:
	Offer. *Employment Agreement.* *Hire.* *Change Job.* *Edit Position.* *Add Job.* *Start International Assignment.*
Use Assigned Value in 100% Calculations	For amount-based plans only. This option doesn't apply to workers Managed by Basis Total (MBT).
	If selected, Workday uses the assigned amount on the plan as the fixed proration value and the 100% value in calculations.
	If not selected, Workday divides the assigned amount by the employee's FTE for 100% FTE calculations.

Workday Proprietary and Confidential

Option	Description
	Example: You assign a worker with 50% FTE amount-based Bonus Plan A for 1,000 and amount-based Allowance Plan B for 1,000. You select the **Use Assigned Value in 100% Calculations** for Bonus Plan A and **None of the above** for Allowance Plan B.
	The 100% FTE value calculated for Bonus Plan A is the assigned amount of 1,000. Workday doesn't divide this amount by the worker's FTE. The 100% FTE value calculated for Allowance Plan B is 2,000, which equals the assigned amount (1000) divided by the employee's 50% FTE (0.5): (1000/0.5 = 2000).
None of the Above	Workday doesn't apply FTE% and doesn't use the assigned plan value in 100% calculations.

4. In the **Award Calculation** section, consider:

Option	Description
Compensation Basis	Available if you select **Percent Based Plan**.
	Select the compensation basis Workday uses to determine the target amount for this plan. Workday doesn't exclude this plan when calculating the target amount for employees managed by a compensation basis.
	If you select a compensation basis that includes this plan, Workday excludes this plan when calculating the target amount.
	If you select a subtractive compensation basis, Workday subtracts the subtractive basis amount from the employee's Primary Compensation Basis before calculating percentage-based target amount.
	You can't change a compensation basis if the plan is part of compensation basis that has the **Manage Basis Total** check box selected.
Target Amount	Available for amount-based plans only.
	Enter the amount of the target bonus award.
	Workday uses the target amount when the employee:
	• Doesn't have an individual target. • Isn't eligible for any of the plan profile targets. • Is eligible for more than 1 plan profile target.
Target %	Available for percent-based plans only.
	Enter the percent of the target bonus award.
	Workday uses the target % when the employee:
	• Doesn't have an individual target. • Isn't eligible for any of the plan profile targets. • Is eligible for more than 1 plan profile target.
Reference Currency	Selecting the currency enables you to manage a bonus plan in a single currency but still accommodate employees who use other currencies.
Reference Frequency	Workday uses this frequency to calculate the actual cost of the award, plus or minus any currency fluctuations.

Option	Description
Company Funding Scorecard	Determines the funding of the target bonus pool.
	The compensation review process factors company performance into the bonus pool only if you add the scorecard to the bonus plan and you have qualifying performance scorecard results.
	The **Company Funding Scorecard** can't contain profiles. You can update results on the *Manage Bonus Funding* step of the compensation review process.
Plan Modifier Scorecard	If you want to modify the target, select a scorecard.
	The **Plan Modifier Scorecard** can contain profiles. You can update results on the **Recalculate Pool and Awards** task while the compensation review is in progress.
Time Proration Rule	Select a rule to prorate employees' target compensation for this plan according to time-based criteria such as leave of absence or time since hire.
Allow Target Override	If selected, you can override the default plan or profile target for an individual employee.
Hide Target from Security Groups	Select 1 or more security groups from which to hide funded plan targets.
	Workday hides the funded plan target beginning on the effective date of the plan. Reports that display plan assignments hide plan targets only when the plan is in effect.
	Workday doesn't hide funded plan targets during the *Initiate Compensation Review Process* or during the *Offer* or *Employment Agreement* business processes in the Task Consolidation context.

5. (Optional) In the **Plan Eligibility** section, select a **Waiting Period**.

   A waiting period restricts eligibility until after the employee satisfies the waiting period criteria. By using a waiting period, you can assign the plan at any time and rely on the waiting period to control eligibility.

   If the waiting period is still in effect as of the **Process Period End Date** configured on the compensation review process, Workday:

   • Includes the employee as an exception.
   • Sets the suggested target percent (and prorated target increase percent, if applicable) to zero.

   The pool doesn't reflect the employee target and managers can override a target value of zero.

6. In the **Process Eligibility** section, consider:

Option	Description
Include Active Employees Assigned Plan During Process Period	Indicates that employees assigned to the plan at any point during the process period, but not currently assigned the plan, are eligible for an award.
	Workday determines the related target from:
	• The individual override as of the date the employee was last assigned the plan.
	• The plan profile as of the compensation snapshot date.

Option	Description
	• **Target Changes in Period** if selected on the proration rule.
Include Active Employees in Waiting Period	Select if you want to include employees assigned to the plan and in a waiting period included in a compensation review process. Workday doesn't calculate the employee target amounts, which display as zero.

7. (Optional) Select 1 or more **Coverage Date Eligibility** rules.

   If configured, Workday:

   • Displays editable **Coverage Start Date** and **Coverage End Date** columns for bonus plans during compensation reviews.
   • Applies coverage dates to bonus awards resulting from the compensation review event. Coverage dates become visible in Workday Payroll and Payroll Integration when the compensation review completes.

   Coverage dates enable Workday Payroll or Payroll Integration to associate dates with the bonus for US Fair Labor Standards Act (FLSA) reporting requirements.

8. In the **Performance Factors** tab, consider:

Option	Description
Compensation Matrix or Compensation Matrix for Individual Performance Factor	Identifies the compensation matrix used to calculate the individual target amount during the compensation review process.
Use Matrix as Reference Only	Available when you select **Bonus Plan with Compensation Matrix** and enter a compensation matrix. Select if you don't want Workday to calculate the individual target or pool amount using the selected compensation matrix. Workday displays only the percentage when proposing the employee award.
Apply Net Attainment	If selected, Workday uses net attainment as a multiplier for the bonus target or bonus amount during compensation reviews. Example: If a discretionary target with a weighted matrix is equal to 2000, a **Net Attainment Percent** of 50% reduces it to 1000.
Weighting	The total weight between all compensation matrices and scorecards must equal 100 percent.
Compensation Scorecards	Enter 1 or more scorecards. Workday uses them to calculate the bonus award.
Modifier	If you want to modify an individual performance or performance scorecard award amount, select a scorecard.

9. Enter a **Tranche** number and **Tranche Percent** for each tranche.

   You can define bonus plans distributed in predefined portions or installment amounts. Workday calculates the portions or installments by prorating the overall bonus target using a tranche percent.

10. In the **Deferred Bonus** tab, consider:

You can configure the bonus plan to divide the deferred payments into an initial cash award, followed by a stock plan disbursement.

Option	Description
Deferred Bonus Eligibility	Select eligibility rules.
Default Calculation	Select a calculation created on the **Create Deferred Bonus Calculation** task.
Deferred Bonus Profiles	Select an **Eligibility Rule**, **Calculation**, and **Stock Plan** for subgroups of the employee population defined by the **Deferred Bonus Eligibility** rule.

Workday uses the **Default Calculation** and **Default Stock Plan** for employees that either meet none or meet more than 1 of the deferred bonus profiles.

During compensation review processes with bonus awards, Workday uses these eligibility rules and the associated calculations and stock plans to determine how to divide deferred bonus awards.

You can override deferred bonus values if your compensation review grid configuration includes **Deferred Bonus Amount**, **Deferred Bonus Percent**, or both as editable columns.

Result

For percent-based plans, Workday multiplies the basis amount by the target percent to derive the target amount. For amount-based plans, Workday simply adds the targets for the employee. Workday then sums these employee target amounts to derive the organizational bonus pools and the overall bonus pool for the process.

For Bonus Plan Modifiers, Workday calculates individual employee target amounts:

```
Compensation Basis * Target Percent or Target Amount * Individual Performance
Scorecard Results
```

If you use modifiers, Workday automatically adjusts the pool and employee award amounts.

For tranches, Compensation Administrators are responsible for rolling out the correct number of bonus events and tranches for the bonus period. To base the final true up bonus on the difference between the true up target and completed payments, use the **Complete Future Payment True Up Bonus** task.

Example

If an employee:

• Earns 100,000 per year.
• Has an overall bonus target of 40%.
• The target for the first tranche is 12.5%.

The employee is eligible to receive a 5000 bonus for the first tranche (100,000 * 0.4 * 0.125 * 1). If the manager proposes a bonus for the employee, the suggested target bonus is 5000 or 5%.

Next Steps

You can:

• Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
• Add the plan to a compensation package on the **Create Compensation Package** task.
• Access the **Bonus Plan** and **Bonus Plans** reports.
• Access the **Edit Bonus Plan** task.

- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

  Example: Use this security domain to hide the compensation plan type on the **Compensation Plan Assignments** report for workers in Germany. Workers can still see the plan name.

Related Information
Tasks
Steps: Set Up Bonus Plans on page 1003
Steps: Manage Compensation Basis on page 1044
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Steps: Set Up Goals on page 1405
Reference
Reference: Full Time Equivalent in Compensation on page 971
Examples
Net Attainment (Compensation)
Example: Time-Based Proration for Merit and Bonus Awards on page 1093

Create Compensation Scorecards

Prerequisites

- Create eligibility rules for compensation.
- Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

Scorecards capture company, division, or department goals and their attainment. A scorecard can have 2 components:

- Default scorecard goals
- Scorecard profile goals

You can assign a scorecard to percentage- or amount-based bonus plans. You can use scorecard profiles to override default goals and weightings using eligibility rules.

Example: Create a default scorecard to monitor goals for the Sales Department. If your sales employees are in different locations, they can have slightly different goals and weighting for 1 or more locations.

Example: You can create a company performance scorecard where customer satisfaction has the heaviest weight:

Scorecard Goal	Weight
All Critical Issues Resolved	20%
On-Time Product Delivery	15%
95 Percent Customer Satisfaction	50%
100 Million Annual Sales	15%

Steps

1. Access the **Create Compensation Scorecard** task.

   You can also import scorecard data into Workday with the *Put Compensation Scorecard* web service.
2. Select the **Inactive** check box if you don't want the scorecard available for use.

   If a process is already in-progress using this scorecard, it completes as normal.

3. In the **Default Scorecard Goals** section, enter a **Scorecard Goal Name**, **Scorecard Goal Description**, and **Weight** that you want to track.
   The sum weight of the goals must equal 100 percent.

Result

Rate the performance level for each criteria using the **Create Compensation Scorecard Results** task. Workday uses the results combined with achievement percentages to calculate the weighted results percent for the scorecard. If you include the scorecard performance in the bonus plan or when you initiate the compensation review process, Workday uses the weighted results when determining bonuses.

Next Steps

You can:

- Update or delete the scorecard using the **Edit Compensation Scorecard** task.

  You can edit or delete scorecards only if there are no performance results, or the current date is after the **Evaluation Date** of existing results. Example: If you have scorecard result sets from March 31 of this year and December 31 from the previous year, you can edit the scorecard only after March 31.
- Use scorecards to monitor performance, to influence funding for a bonus plan, or to adjust the funding amount after bonus approvals.

Related Information
Tasks
Create Eligibility Rules for Compensation on page 902

Create Compensation Scorecard Results

Prerequisites

- Create compensation scorecards.
- Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

Enter an achievement percent to rate the level of performance toward each goal within the selected compensation scorecard.

Note:

You can create company funding scorecard results:

- During the *Manage Bonus Process Funding* step in a compensation review process.
- Using the *Put Compensation Scorecard Results* web service.

You can also update in-progress compensation review processes with updated scorecard results using the **Recalculate Pool and Awards** task.

Steps

1. Access **Create Compensation Scorecard Results**.
2. Select the **Evaluation Date** on which to rate the performance.
   Workday associates this date with the performance result set.
3. For each criteria, enter an **Achievement** percentage to indicate how well the company did in meeting that performance goal.
   The **Weighted Result Percent** is the sum of **Weight** multiplied by **Achievement** for all rows of criteria. Workday automatically calculates and adjusts the value as you enter achievement percentages.

Result

The saved performance rating for the specified evaluation date becomes a performance result set. A result set is a combination of the performance scorecard and the evaluation date of the rating.

If you associate this scorecard with a bonus plan, Workday uses the company performance result set with the most recent **Evaluation Date** to determine bonus funding. If there are no results, the compensation review process continues and assumes 100 percent in calculating bonus funding.

Example

Performance Criteria	Weight	Achievement
All Critical Issues Resolved	20%	100%
On-Time Product Delivery	15%	100%
95 Percent Customer Satisfaction	50%	90%
100 Million Annual Sales	15%	200%

If you multiply the weight by the achievement for each row and sum all of the rows, you get a weighted funding of 110 percent.

Next Steps

To assign compensation plans to multiple employees, use the **Rollout Compensation Plans to Employees** task.

Related Information
Tasks
Roll Out Compensation Plans to Employees on page 942

Create Deferred Bonus Calculations

Prerequisites

- Set up compensation eligibility rules.
- Set up stock plans.
- Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can give employees bonuses with an initial cash payment followed by a stock grant that vests over time. The deferred bonus calculation includes 1 or more amount ranges and corresponding deferred percentages. You can also configure a progressive calculation.

After you create the deferred bonus calculation, you can add it to bonus plans and specify the applicable eligibility rules and stock plans.

You can add **Deferred Bonus Amount**, **Deferred Bonus Percent**, or both as editable columns on your grid configuration. During compensation reviews, you can then override deferred bonus values for employees assigned to bonus plans with deferred calculations. The deferred bonus override amount must be 0.00 or greater and less than or equal to the total bonus amount.

Steps

1. Access the **Create Deferred Bonus Calculation** task.
2. Select **Reference Field**(s).

3. (Optional) Select the **Progressive Calculation** check box.

If selected, Workday calculates deferred bonus payments progressively.

Enter a **Minimum Threshold** amount to set the minimum bonus amount required for the progressive calculation. If the bonus amount is less than this minimum, Workday doesn't defer any bonus amount.

4. Configure the **Definition** of the calculation.

Each row defines a range of bonus amounts and the percentage of the bonus to defer.

Example

This table depicts a nonprogressive deferred bonus calculation:

Range Name	To Value	Deferred Percentage
Tier 1	250,000	0%
Tier 2	500,000	10%
Tier 3	900,000	20%
Tier 4	1,500,000	30%
Max Tier	99,999,999	40%

The **To Value** of each row defines the lower limit of the range for the next row. Tier 2 has a lower limit of 250,000 because 250,000 is the **To Value** for Tier 1. In this deferred bonus calculation, a bonus award of 450,000 falls into Tier 2 with 10% deferred.

Related Information
Examples

Create Future Payment Plans

Prerequisites

- Create bonus plans.
- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

Create a future payment plan with a target that pays out to employees over several bonuses or one-time payments. To calculate the outstanding balance, add a final true-up process at the end.

Steps

1. Access the **Create Future Payment Plan** task.

2. In the **Future Payment Defaults** section, consider:

Option	Description
Allow Target Override	Select this check box to enable the entry of a target or percent for an individual employee assigned to the plan. To override the values for the plan and its profiles, enter an **Individual Target** when requesting a compensation change or assigning compensation. Example: Select this option to double the target for top performing individuals.

Option	Description
Compensation Element	Select a default compensation element. Compensation elements store the earnings associated with compensation. If you select a compensation element designated as base pay, Workday includes the compensation for the plan in the base pay calculation.
Reference Frequency	Workday uses the **Reference Currency** and **Reference Frequency** settings to calculate an estimated budget in a common currency and frequency. This is useful if you are in a global team environment.

Related Information
Tasks
Steps: Set Up Bonus Plans on page 1003
Roll Out Compensation Plans to Employees on page 942
Calculate Outstanding Balances for Future Payment Plans on page 1016

Assign Future Payment Plans to Employees

Prerequisites

- Create a future payment plan.
- Security: *Worker Data: Compensation by Organization* domain in the Core Compensation functional area.

Context

You can assign 1 or more future payment plans with a target to pay out to employees:

- Over several bonus and one-time payments, and
- A final true up process at the end to calculate the outstanding balance to pay.

A future payment plan assignment is a package of assigned plans with an effective date.

Workday recommends that you have only 1 assignment per true up period. If the plan is paid out or processed and you want to assign a new target for the next period, make a new assignment.

Steps

1. Access the **Assign Future Payment Plans** task.

   This task is also available as a related action off the employee, under Compensation, provided a future payment plan is assigned.

2. Select the **Effective as of** date.

   An assignment of future payment plans is effective from this date until the day preceding the next set of assignments or forever if there's no subsequent set of assignments. You can't create 2 sets of assignments with the same effective date.

   The first time you create an assignment for an employee, Workday uses the eligibility rules associated with future payment plans to determine whether the employee matches the criteria. If the employee is eligible, Workday automatically populates Assign Future Payment Plans with this data. If the employee doesn't match any eligibility rule, Workday displays no plans.

   For subsequent assignments, Workday automatically pulls in all current plans and creates an entry for processed plans.

   If you create an assignment that has an earlier **Effective as of** date, Workday uses the eligibility rules to determine which plans to display.

3. Consider:

Option	Description
Individual Target	If you've enabled individual targets on the plan, you can enter an amount.
Processed	Indicates that the **Complete Future Payment True Up Bonus** has been run. You can't delete a plan that has the **Processed** check box selected.

Result

When you create an assignment of future payment plans to the employee, you must carry forward existing ones. If they aren't, Workday removes them from the employee.

Next Steps

You can use the **Complete Future Payment True Up Bonus** task to calculate the outstanding balance of a future payment or a bonus plan in tranches.

Calculate Outstanding Balances for Future Payment Plans

Prerequisites

• Assign future payment plans.
• Security: *Process: Compensation Plan Events* domain in the Core Compensation functional area.

Context

As the Compensation or HR Administrator, you can calculate the outstanding balance of a future payment or bonus plan in tranches. The target pool represents the amount still owed for the total true up pool.

Note: The **Compensation History** report displays all aspects of employee compensation.

This process doesn't address any salary changes during the period. If an employee in a future payment plan gets a salary increase during the period, the bonus calculation for that period might be higher. This might result in a lower target bonus during the true up process. The overall target bonus for an amount-based true up remains the same, regardless of salary fluctuations. For a percent-based true up, the overall target bonus fluctuates with salary changes.

Steps

1. Access the **Complete Future Payment True Up Bonus** task.
2. (Optional) Select **Target Pay Date From** and **Target Pay Date To** to narrow search results.
3. (Optional) Select 1 or more **Organizations** to narrow search results.
4. For each employee in the future payment plan, enter a **Bonus Amount** and a **Target Payment Date**.
  Workday pays the amount you enter on the date you select.

Example

You configure a future payment plan to consider multiple bonus and one-time payment plans. The target for the employees is 25,000 USD. In Quarters 1, 2, and 3, Workday pays the employees 6,250 USD and a one-time payment of 3,000 USD. The true up process calculates the outstanding balance as 3,250 USD.

Related Information
Tasks
Create Future Payment Plans on page 1014

Steps: Rescind or Forfeit Bonus Payments for Employees

Prerequisites

Enable the *Rescind* action for selected security groups in the *Employee Bonus for Bonus Process* business process.

Context

You can rescind or forfeit a bonus payment for a specific employee. You can also forfeit a one-time payment.

Steps

1. To rescind a bonus payment, as a related action off the worker, select **Compensation** > **View Compensation History**.

   On the **Bonus and One-Time Payments** tab, select **Business Process** > **Rescind** as a related action off the business process event for the worker's bonus payment.

   The *Initiate Compensation Review Process* must be complete.

2. To forfeit a bonus or one-time payment from the *Request One-Time Payment* business process, select **Forfeit**.

   - Configure the *Request One-Time Payment* process as a step on the *Termination* business process.
   - The **Scheduled Payment Date** must be after the **Termination Date**.
   - Select the **Send to Payroll** option on the payment.

   If you select **Forfeit**, Workday forfeits the payment, overriding **Send to Payroll**.

   The ability to forfeit applies only when the worker still has the primary position as when you configured the one-time or bonus payment. Workday only displays those payments for forfeit associated with the current position. Workday doesn't display a payment for forfeit if the worker changes jobs or gets a new primary position after you configured the payment. Example: Terry has a one-time payment associated with the old position and another associated with the current position. During the termination process for Terry, Workday displays only the one-time payment associated with Terry's current position, not the former position.

Result

The **Workflow State** for the employee's bonus payment updates to *Rescinded*.

Concept: Company Performance Options

Workday gives you several options for funding bonuses to factor in company performance. You can apply company performance results to:

- The initial bonus funding pool when you set up the compensation review process.

  To use this option:

  - Assign the compensation scorecard to the bonus plan.
  - Rate company performance before initiating the compensation review process.
- The updated bonus pool and spend for in-progress compensation reviews.

  To use this option:

  - Assign the compensation scorecard to the bonus plan.
  - Update company performance using the **Edit Compensation Scorecard Results** task while the compensation review process is in progress.
  - Use the **Recalculate Pool and Awards** task.

- Approved bonuses at the end of the compensation review process.

  To use this option:

  - Add the *Manage Bonus Process Funding* business process step to the organization's *Initiate Compensation Review Process* business process.
  - Assign the company funding scorecard to the bonus plan.
  - Rate company performance after bonus approval (once your results are in).

You can also:

- Use the compensation scorecard as a standalone way to track company performance.
- Give bonuses without taking company performance into consideration.
- Manually override the bonus funding percent before committing to it.

Depending on the option you select and when you rate company performance, Workday applies the performance results to bonus funding differently.

If You	And You Rate Performance before Compensation Review Process Initiation	And You Rate Performance after Compensation Review Process Approval
Apply company performance to the initial bonus funding pool only.	Workday includes company performance results when calculating the bonus funding pool.	Performance results have no impact because you haven't added the *Manage Bonus Process Funding* business process step to the organization's *Initiate Compensation Review Process* business process.
Apply funding to approved bonuses. You must add the *Manage Bonus Process Funding* step.	Assumes 100% funding.	Workday provides you with a step that enables you to use the new rating or to revise the funding percent.
Apply company performance to the initial bonus funding pool and apply funding to approved bonuses.	Workday includes company performance results when calculating the bonus funding pool.	Workday includes company performance results when calculating the approved bonuses.
Use the company performance scorecard only.	Performance results have no impact on bonus funding calculations. The scorecard is for tracking purposes only.	Performance results have no impact on bonus funding calculations. The scorecard is for tracking purposes only.
Award bonuses without accounting for company performance.	No impact to existing bonus processing. You aren't using compensation scorecards or the *Manage Bonus Process Funding* business process step.	No impact to existing bonus processing. You aren't using compensation scorecards or the *Manage Bonus Process Funding* business process step.

Concept: Future Payment Plans and True Ups

Compensation Administrators can create future payment plans to define the type of bonus (amount or percent) and bonus targets across multiple bonus or one-time payments. At the end of the period, the Compensation Administrator can true up a future payment plan by paying the outstanding balance. Future payment periods can extend beyond annual.

Typical bonus plans define the type of bonus (also amount or percent) and the plan target. A manager can distribute a bonus target over several predefined bonus payments (called tranches) and accumulate the bonus paid to date across bonus or one-time payment plans. Bonus plan frequencies can be annual,

monthly, or quarterly. Bonus plans that include tranches don't use true up, but a future payment plan can include bonus plans that use tranches.

Plan Type	Security Group	Description
Future payment plan	Compensation Administrator	The bonus target can consider multiple bonus and one-time payment plans and does a true-up at the end to pay the outstanding balance.
Bonus plan with tranches	Manager	Workday pays out the bonus target in predefined installments using fixed frequencies.

A true up event represents a combination of fixed pay, variable pay, and short-term incentive pay. You can set a target bonus and accrue bonuses over the year or period until you reach the target bonus. A true up also enables you to distribute a total bonus in tranches over several periods. Distributing the payout over several tranches is an advantage to the company. The advantage to the employee is an advance on an annual bonus. During the final bonus cycle of the period, Workday totals and reconciles the individual period bonuses against the true up target. The final payout also provides an opportunity for managers to factor in performance against the period target for each employee.

There are 2 types of true up events:

- Single Plan True Up: The company grants an annual bonus (800) and defines tranches to pay out 1/8 of the target for the first 3 quarters. In the fourth quarter, the company pays the remaining 5/8 (500). Alternatively, a final process calculates the outstanding balance, paid as a true up. Workday supports this true up type within the current compensation review process.
- Multiple Plan True Up: The company sets a guaranteed minimum amount (800), and then awards various bonuses or one-time payments over the year. At the end of the year, you pay the remaining amount as the true up target. If an employee receives 3 bonuses totaling 500, the true up value is 300, which the Compensation Administrator or Manager can adjust. Workday can calculate the true up value across several bonus plans or one-time payment plans. Workday supports this true up type with these tasks:

  - **Create Future Payment Plan**.
  - **Assign Future Payment Plans**.
  - **Complete Future Payment True Up Bonus**.

In a single plan true up, Workday pays the total bonus amount in portions and prorates the bonus target by a percentage called a tranche percent.

Example: An overall bonus target is 40% and the target for the first tranche is 12.5%. An employee with an annual base salary of 100,000 is eligible to receive a 5000 bonus for the first tranche (100,000 X 0.4 X 0.125 X 1). When the manager proposes a bonus for this employee, Workday calculates 5000 or 5%. The employee receives 40% before the end of the true up period, but not all at once. You can define tranches to regulate when to pay bonuses and how much each portion is.

Note: The reference frequency for true up bonus plans or bonus plans with tranches is typically annual because the true up target is generally an annual target. In other words, the frequency reflects the true up period. If the bonus frequency doesn't reflect the true up period, Workday de-annualizes all employees' annual salaries and then applies the tranche percent, which might be inaccurate.

The purpose of a future payment plan is to contain the configuration options specific to the multiple plan true up process and the true up bonus target, currency, and frequency. The future payment plan is also the plan used when you launch the true up process. Future payment plans aren't full compensation plans. They're defined outside of worker compensation, similar to eligible earnings, and have the same security as eligible earnings.

Future payment plans enable you to enter multiple bonus and one-time payment plans, but not tranches, which apply only to bonus plans. Tranches apply to a single bonus plan target and are part of a single bonus plan. A future payment plan target can apply to multiple bonus and one-time payment plans.

Proration, waiting periods, and bonus accrual estimates aren't part of future payment plans. Merit Increase Matrices (MIM) don't apply to future payment plans. You can, however, assign a review type to the true up plan to view performance results for the period. Managers can also adjust recommended targets during a compensation review process.

To participate in a future payment plan, you must assign an employee to the plan and to any other relevant bonus plans for calculating the true up.

Related Information
Tasks
Create Future Payment Plans on page 1014
Assign Future Payment Plans to Employees on page 1015

Example: Deferred Bonus Progressive Calculation

Context

For progressive calculations, Workday applies more than 1 range to the same bonus award if there are marginal amounts.

Example: The deferred bonus calculation is:

Range Name	To Value	Deferred Percentage
Tier 1	250,000	Zero%
Tier 2	500,000	10%
Tier 3	900,000	20%
Tier 4	1,500,000	30%
Tier Max	99,999,999	40%

Kyle receives a 1,000,000 deferred bonus award. The deferred bonus calculation has the **Progressive Calculation** check box selected. The bonus award of 1,000,000 exceeds the 250,000 upper limit of Tier 1, leaving a balance of 750,000. Workday compares that balance to the upper limit of the tier and multiplies the smaller value by the deferral amount:

Tier	Remaining Bonus Amount	Difference from To Value	Smaller Value	Deferred %	Deferred Amount
1	1,000,000	250,000	250,000	Zero%	Zero
2	750,000	250,000	250,000	10%	25,000
3	500,000	400,000	400,000	20%	80,000
4	100,000	600,000	100,000	30%	30,000
Max	Zero	1,000,000	Zero	40%	Zero

The total amount deferred for Kyle's bonus award is 135,000.

Related Information
Tasks
Create Deferred Bonus Calculations on page 1013

Stock Plans

Steps: Manage Stock Plans and Grants

Prerequisites

Set up compensation components and grades.

Steps

1. Steps: Create a Compensation Matrix on page 1062
2. Access the **Maintain Stock Grant Types** task.

   Maintain the available grant types, view how many stock plans are using each type, and assign grant types to stock plans.

   Long Term Cash as a **Grant Category** enables you to offer cash that vests over time like stock.

   Security: *Set Up: Stock* domain in the Advanced Compensation functional area.
3. Access the **Maintain Stock Vesting Schedules** task.

   You can assign vesting schedules to stock plans. Use the **Stock Vesting Schedules** report to list all the entered vesting schedules.

   Security: *Set Up: Stock* domain in the Advanced Compensation functional area.
4. Access the **Maintain Stock Date Rules** task.

   Create rules that Workday uses to determine the vesting or expiration date for a stock grant. You can't delete stock date rules if their usage count is greater than zero. Rules are a concatenation of values in the **Rule Type**, **Number**, **Unit**, and **From Date** fields.

   Example:

   - Expiration Rule: Ten Years from Grant Date
   - Vest From Rule: Zero Days from Event Effective Date

   You can then assign stock date rules to a stock plan.

   Security: *Set Up: Stock* domain in the Advanced Compensation functional area.
5. (Optional) Create Compensation Rounding Rules on page 1075.

   You can associate rounding rules with merit, bonus, or stock plans, or with compensation bases managed by a compensation basis total.

   Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.
6. (Optional) Access the **Maintain Event Categories and Reasons** task.

   You can enable the selection of reasons by manager role-based security group when requesting a stock grant. To do so, select **Manager Reason** for the *Request Stock Grant* business process, and the applicable reason code.
7. Create Stock Plans on page 1022.
8. Award stock to employees.

   Both of these tasks initiate the *Request Stock Grant* business process, but have important differences:

Request Stock Grant	This task is intended for Manager Self-Service for one stock grant to an employee or candidate at a time. See: Request Stock Grants on page 1024
Add Stock Grant	You can set up multiple grants and configure vesting details on this task. See: Add Stock Grants on page 1025

9. Create Stock Participation Rate Tables on page 1026.

Next Steps

To ensure that defaults display during staffing events, associate stock plans with a compensation package and rule.

Related Information

Tasks

Create Stock Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Stock Plan* domain in the Advanced Compensation functional area.

Steps

1. Access the **Create Stock Plan** task.
2. Consider:

Option	Description
Amount Based Plan	Targets based on a fixed monetary amount.
Percent Based Plan	Targets based on a percent of salary.
Unit Based Plan	Targets based on a number of shares.

3. In the **Award Calculation** section, consider:

Option	Description
Allow Target Override	Select this check box if you want to enable overriding the default plan or profile target amount, percent, or shares.
	Example: For top performing individuals, you want to double the target.
Hide Target from Security Groups	Select 1 or more security groups from which to hide funded plan targets.
	Workday hides the funded plan target beginning on the effective date of the plan. Reports that display plan assignments hide plan targets only when the plan is in effect.
	Workday doesn't hide funded plan targets during the *Initiate Compensation Review Process* or during the *Offer* or *Employment Agreement* business processes in the Task Consolidation context.
Compensation Matrix	Select a compensation matrix if you want to give an individual employee stock grants based on a performance rating, retention rating, pay range quartiles, or eligibility rules.
Use as Reference Only	Available if you select a compensation matrix.
	Select if you don't want Workday to calculate the individual target or pool amount using

Option	Description
	the selected compensation matrix. Workday displays only the percentage when proposing the employee award.
Rounding Rule	Available for amount-based and percent-based plans only.
	During the *Update Stock Grant* business process, Workday calculates the number of shares by dividing the grant's currency amount or percent by the grant price. Workday applies the rounding rule to the number of shares granted.
Compensation Basis	Available if you select the **Percent Based Plan** option.
	Select the compensation basis Workday uses to determine the target amount (for employees not managed by a compensation basis) for this plan. For employees managed by a compensation basis, Workday doesn't exclude this plan when calculating the target amount.
	If you select a compensation basis that includes this plan, Workday excludes this plan when calculating the employee's target amount.
	If you select a subtractive compensation basis, Workday subtracts the subtractive basis amount from the employee's Primary Compensation Basis before calculating percentage-based target amount.
	You can't change the selected compensation basis if the plan is part of compensation basis that has the **Manage Basis Total** check box selected.
Use Target Currency for Grant	Available for amount-based plans only.
	Selecting this check box causes stock grants to display in the currency of the employee's plan target.

4. In the **Stock Plan Defaults** tab, consider:

Option	Description
Target Amount/Target %/Target Shares	The default recommendation for an employee assigned to this plan.
Currency	This enables you to manage a stock plan in a single currency, but still accommodate employees who use a variety of currencies.
Grant Type	Any grant type created using the **Maintain Stock Grant Types** task, such as ISO, RSU, or Cash.
	Note: Cash vests over time just like stock. In reports, Workday displays Cash grants under the Long Term Cash category.

Option	Description
Vesting Schedule	You can select a schedule for each **Grant Type** for both **Stock Plan Defaults** and **Stock Plan Profiles**.
Expiration Date Rule	Select a rule for each **Grant Type** for both **Stock Plan Defaults** and **Stock Plan Profiles**.

5. In the **Stock Plan Profiles** tab, enter values that differ from the defaults.

Next Steps

You can:

- Assign (roll out) the plan to employees on the **Rollout Compensation Plans to Employees** task.
- Add the plan to a compensation package on the **Create Compensation Package** task.
- Access the **Stock Plan** and **Stock Plans** reports.
- Access the **Edit Stock Plan** task.
- Hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Tasks
Create Compensation Packages on page 958

Request Stock Grants

Prerequisites

- Security:

  - *Set Up: Stock* domain in the Advanced Compensation functional area.
  - Configure modify access on the *Candidate Data: Stock Grant Offer* domain in the Advanced Compensation functional area.
- Set up stock plans.
- Configure the *Request Stock Grant* business process to meet your needs.
- Configure the *Request Stock Grant Offer/Employment Agreement* business process if you use the Workday Recruiting *Offer* business process.

  If using Consolidated Tasks for *Offer*, select the **Consolidate Tasks** check box on the business process security policy.
- Access the **Maintain Event Categories and Reasons** task to create a reason for the *Stock Grant* category.

Context

Managers can request a stock grant for an individual employee or for a candidate as part of an *Offer*.

Steps

1. Access the **Request Stock Grant** task.
2. Consider:

Option	Description
Amount Requested	Available for stock plans based on currency amount.

Option	Description
Percent of Base Salary Requested	Available for stock plans based on percent of base salary.
Number of Shares Requested	Available for stock plans based on unit amount.

Result

Workday routes the request to the appropriate reviewers, if any, for approval according to the roles assigned to the *Review Stock Grant Request* step of the *Request Stock Grants* business process for the employee's organization.

Related Information
Tasks

Steps: Manage Stock Plans and Grants on page 1021

Steps: Update Approved Stock Grants on page 1028

Edit Business Processes

Steps: Set Up Task Consolidation for Offers on page 472

Add Stock Grants

Prerequisites

- Security: *Set Up: Stock* domain in the Advanced Compensation functional area.
- Configure the *Request Stock Grant* business process to meet your needs.
- Use the **Maintain Event Categories and Reasons** task to create a reason for the *Stock Grant* category.
- Set up stock plans.

Context

Award stock grants to 1 or more employees.

Steps

1. Access the **Add Stock Grant** task.
2. In the **Stock Grant** section, consider:

Option	Description
Percent Granted	Displays if the stock plan was created as a **Percent**. Enter the award as a percentage of base salary.
Amount Granted	Displays if the stock plan was created as an **Amount Based Plan**. Enter the award as a fixed monetary amount.
Shares Granted	Displays if the stock plan was created as a **Unit Based Plan**. Enter the award as a number of shares.
Converted Amount	Displays only for amount or percent-based plans and when the currency assigned to the employee is different than the currency for the grant price.

Option	Description
	Workday converts the amount or percent granted
Vesting Schedule	Displays the **Vesting Schedule** configured for the grant type on the stock plan or plan profile.
Vest From Date	The date that the stock grant becomes available to the employee. It's also the date that stock options become available for exercise. This is often the same date as the hire date or event date.
Options Pricing Factor	Displays only for amount-based or percent-based plans and when the grant category equals *Option*. Workday converts the amount or percent granted. Workday uses the **Options Pricing Factor** when calculating **Calculated Shares**.
Calculated Shares	Displays only for amount-based or percent-based plans. Workday calculates this value by dividing the amount granted by the **Grant Price**, and divided again by the **Options Pricing Factor**.

Next Steps

Access the **Update Stock Grants** task to update approved stock grants with the grant date, grant price, vest from date, and board approval.

Related Information
Tasks
Steps: Manage Stock Plans and Grants on page 1021
Edit Business Processes
Steps: Update Approved Stock Grants on page 1028
Edit Domain Security Policies

Create Stock Participation Rate Tables

Prerequisites

- Set up stock plans.
- Security: *Set Up: Stock* domain in the Advanced Compensation functional area.

Context

Stock participation rate tables enable managers to allocate stock to diverse populations of employees while maintaining control over the size of the pool. Eligibility rules control which employees can receive stock; participation rates control how much each employee contributes to the stock pool.

You can create rate tables based on:

- Classic criteria such as management level and grade.
- Eligibility rules.

You assign rate tables when you initiate a compensation review process with stock awards. Rate tables apply to any stock plan and any eligibility rules associated with the compensation review process.

During a compensation review process with stock, Workday evaluates each row of the rate table from top to bottom. Workday assigns only the first rate that applies to the employee and doesn't evaluate any others. If no rates apply, Workday uses the **Default Percentage Rate**.

To view the stock participation rate during a compensation review process, use a grid configuration that contains the Stock column group and the **Stock Participation Rate %** field.

If you use a rate table in a compensation review process, Workday disables the Autofill and Prefill functions for stock.

Steps

1. Access the **Create Stock Participation Rate Table** task.
2. Enter a **Default Percentage Rate**.

   Percentage rates can exceed 100. Workday uses the default rate if it can't find a match in the rate table.
3. Select the rate table type and enter 1 or more rows for Workday to evaluate when proposing awards:

Option	Description
Uses Classic Criteria	Select any combination of **Management Level**, **Job Profile**, **Country**, or **Compensation Grade**.
Uses Eligibility Rules	Select an **Eligibility Rule** .

   The **Percentage Rate** for either type of table can exceed 100.
4. Sort the rates in the order you want Workday to evaluate them.

   Workday assigns only the first rate that applies to the employee.

Result

The stock participation rate displays on when proposing stock awards during a compensation review.

Example

Company A has created a rate table with these dimensions:

- Table Name: Stock Participation – Management Level and Country
- Default Percentage Rate: 100%

Priority Order	Management Level	Country	Participation Rate
1	• Manager • Supervisor	• United States • United Kingdom • France • Canada	75%
2	• Manager • Supervisor	• Brazil • Russia • China • India • Mexico	65%
3	• Manager • Supervisor		50%
4	Individual Contributor		10%

Workday Proprietary and Confidential

Next Steps

You can:

- Edit rate tables using the **Edit Stock Participation Rate Table** task and delete them with the **Delete Stock Participation Rate Table** task. However, you can't edit or delete a rate table that's in use.

- Access the **Stock Participation Rate Audit** report to display workers, positions, assigned participation rate, and rate table dimensions. The report also lists multiple matches.

Related Information
Tasks
Create Grid Configurations for Compensation on page 1080
Initiate Compensation Review Processes on page 1114
Manage Awards for Compensation Reviews on page 1126

Steps: Update Approved Stock Grants

Prerequisites

Add and approve stock grants for 1 or more employees.

Context

You can update approved stock grants for an employee with the grant date, grant price, vest from date, and board approval.

There are 3 ways to update approved stock grants:

Stock Grant Update Option	Description
Update Stock Grants task.	Best used for individuals or a small numbers of employees.
Update Stock Grant Events mass operation type.	A less-complicated method, compared to web services, for updating large numbers of employees.
Update Stock Grant web service.	Best for integrated solutions and large numbers of employees.

Steps

1. (Optional) Use the **Update Stock Grants** task.

   Select the criteria based on the grants that you want to update. To see the updated values, use the **Stock Grants Summary** report.

   Security: *Process: Compensation Management Events* domain in the Advanced Compensation functional area.

2. Create an advanced type custom report using the *Completed Stock Grant Events* report data source. This report doesn't need to be optimized for performance. As you complete this task, consider:

Option	Description
Report Name	Update Stock Grant - MOM
Report Type	Advanced
Data Source	*Completed Stock Grant Events*. Leave the **Optimized for Performance** disabled.
Data Source Type	Standard

Option	Description
Primary Business Type	Stock Grant Event
Columns	• **Business Object**: Stock Grant Event • **Field**: Worker

3. (Optional) Use the *Update Stock Grant Events* mass operation type from the **Mass Operation Management** task.

Access the **Mass Operation Management** task. As you complete the task, consider:

Option	Description
Mass Operation Type	*Update Stock Grant Events*.
Input Report	Select the custom report that you created.
Run Frequency	You can schedule the run, or select*Run Now*.

Security:

- *Mass Operation Management* in the System functional area.
- *Process: Compensation Management Events* in the Advanced Compensation functional area.
- rant access to the *Update Stock Grant Events* mass operation security segment. Add the segment to the existing segment-based group that includes Compensation administration with View and Modify Mass Operation Management permissions.

4. (Optional) Use the *Update Stock Grant* web service.

Next Steps
Related Information
Tasks

Calculated Plans

Steps: Manage Calculated Plans for Compensation

Context

Compensation administrators can create powerful compensation plans based on customized calculations. Calculated plans can be:

- Assigned to employees like other compensation plans.
- Used as part of a compensation basis.
- Updated in the **Other** section in Compensation transactions and in Staffing transactions that include compensation.

Unlike other compensation plans, Workday doesn't automatically remove calculated plans with a zero value from Manage by Basis Total (MBT) employees. Workday recalculates plans with a zero value without having to reassign them.

Note: Calculations can be very complex. Workday recommends that you engage Workday Professional Services or a Workday Consulting Partner to help you configure the calculations for Compensation.

Steps

1. Create 1 or more calculations in the *Compensation* category using tasks such as:

    *   **Create Aggregate Calculation**
    *   **Create Constant Value Calculation**
    *   **Create Lookup Calculation**

    Security: *Set Up: Payroll (Calculations – Generic)* in the Core Payroll functional area.

    Example: Your US federal agency uses locality pay and you access the **Create Locality Pay Area** task to enter a percentage for each locality pay area. You then access the **Create Arithmetic Calculation** task to configure a Locality Pay Calculation. You also create a calculated plan that uses your Locality Pay Calculation. Finally you assign the calculated plan to employees or positions.

2. Access the **Create Calculated Plan** task.

    a) Select how Workday calculates plan amounts:

    *   **Dynamic**: Workday recalculates plan amounts based on current values whenever a compensation event occurs or you view the plan.
    *   **Event Driven**: Workday calculates plan amounts when a compensation event occurs or when you run the *Calculated Plan Assignment Updates by Position* operation type on the **Mass Operations Management** task. Workday creates an event whenever a plan amount changes.

    b) (Optional) Enter a **Plan Type Name Override** to replace the automatically populated name.

    c) (Optional) Select the **Exclude from Total Salary and Allowance Compensation Basis** check box.

    Doing so excludes the calculated plan when Workday calculates the *Total Salary and Allowance* compensation basis.

    d) Select a **Compensation Element** to associate this plan with a payroll earning.

    e) Select a **Calculation**, or click **Create**.

    f) (Optional) Select a **Target Percent Calculation**, a **Ceiling Amount Calculation**, or both on amount-based plans.

    Given a defined **Target Percent Calculation** or **Ceiling Amount Calculation**, Workday evaluates salary-dependent plans for MBT workers when calculating the Primary Compensation Basis (PCB).

    However, Workday doesn't include calculated plans that lack a target when allocating compensation basis amounts.

    You can use these fields for reporting and in Payroll or Payroll Integration.

    g) Select 1 or more **Eligibility Rules**.

    Security, in the Core Compensation functional area:

    *   *Set Up: Base and Plan*
    *   *Add Compensation Plans: Add Calculated*
    *   *Compensation Change: Calculated*

3. Run the *Calculated Plan Assignment Updates by Position* mass operation.

    *   Create a custom report using the Positions for HCM Reporting data source.
    *   Access the **Mass Operation Management** task. As you complete the task, consider:

Option	Description
Mass Operation Type	*Calculated Plan Assignment Updates by Position*.
Effective Date	The date of this event becomes effective.
As of Date	Workday evaluates the plan as it existed on this date. Example: • You have a calculated plan that calculates the number of service years * 100.

Option	Description
	• You want the amount to change on the first of the month for any employee with a service year change during that month. • You run the operation type the first day of every month and set both the **Effective Date** and the **As of Date** to March 1. • A worker with a service date of March 15 won't get a new amount because Workday evaluated the plan as it existed on March 1. To avoid this, configure an **As of Date** of March 31.
Input Report	Select the custom report that you created.
Run Partial Calculation	Select to perform partial calculation only for employees with calculated plan assignment changes. Workday recalculates plans with dependencies on the calculated plan. If not selected, Workday recalculates the calculated plan and adjusts the PCB.
Update Selected Calculated Plans Only	Workday updates only the selected calculated plans during calculations. Workday updates the PCB regardless if you selected **Retain Basis Total** on the basis.
Update Selected Calculated Plans and Dependent Plans - MBT Only	Workday updates the selected plans only if they have changes, and updates their dependent plans. However, Workday doesn't update dependent plans for non-MBT employees. Workday doesn't update dependent plans for MBT employees if the dependent plans have changes but the selected plans don't. Workday might update the PCB regardless if you selected **Retain Basis Total** on the basis.
Update All Compensation Plans - MBT Only	Workday recalculates all compensation plans only when 1 or more selected calculated plans have changes. Workday maintains the PCB constant, regardless if you selected **Retain Basis Total** on the basis.

For MBT employees, Workday updates both dynamic and event-driven plans. For non-MBT employees, Workday updates only event-driven plans. You can run this operation on a regular basis for employees, including MBT employees or those with multiple positions. You can also use this operation to calculate amounts for event-driven plans on demand.

Security:

- *Mass Operation Management* domain in the System functional area.
- Set up segment security for mass operations.

Example

Create a calculated plan to give each eligible employee a fixed amount for every year of service.

1. Access the **Create Arithmetic Calculation**.

   Create a calculation called Seniority Pay that multiplies Length of Service by a fixed Seniority Accrual amount set up as a Constant Value.
2. Access the **Create Calculated Plan** task and select Seniority Pay in the **Calculation** field.

3. Access the **Rollout Compensation Plans to Employees** task to assign your calculated plans.

Related Information
Concepts
Concept: Payroll Calculations
Concept: Delete Calculations
Concept: Calculated Fields and Calculations
Tasks
Set Up Mass Operations
Reference
Reference: Numeric Calculations
Reference: Date Calculations
The Next Level: The Calculation Engine in Compensation
The Next Level: Non-Manage Basis Total Calculated Plans
Reference: Calculations and Calculated Fields Comparison

Concept: Calculated Plans for Compensation

Compensation administrators can create powerful compensation plans based on customized calculations.

Calculations

Calculated compensation plans rely on calculations created on the **Create Arithmetic Calculation**, **Create Conditional Calculation**, or other tasks. Calculations can be simple, such as a constant value, or very complex with nested operations.

You must create calculations in the *Compensation* category to use them in Compensation. Workday recommends not modifying calculations in other categories because doing so might negatively affect other Workday product areas.

You can create calculations using a wide variety of Workday-delivered report fields and Instance Value Calculations within the *Compensation* category.

Calculated Plans

After you create calculations, use the **Create Calculated Plan** task to associate your calculations with plans. Calculated plans can be of 2 types, dynamic or event-driven. Each work differently depending on whether they're Managed by Basis Total (MBT):

	Dynamic	Event-Driven
MBT	Workday updates plan assignment amounts when: • A compensation event occurs. • You run the *Calculated Plan Assignment Updates by Position* operation type on the **Mass Operations Management** task. Workday creates new effective-dated events each time the amount is updated. Workday doesn't calculate a negative target percent calculation or ceiling amount calculation when the calculated plan is salary dependent.	

	Dynamic	Event-Driven
Non-MBT	Workday updates plan assignment amounts whenever you view the plan assignment. Workday doesn't generate new compensation events when plan amounts change. You can't use the **Mass Operations Management** task to update plan assignment amounts. Workday is able to calculate a negative target percent calculation or ceiling amount calculation when the calculated plan is salary dependent.	Workday updates plan assignment amounts when: • A compensation event occurs. • You run the *Calculated Plan Assignment Updates by Position* operation type on the **Mass Operations Management** task. Workday creates new effective-dated events each time the amount is updated. Workday doesn't calculate a negative target percent calculation or ceiling amount calculation when the plan is salary dependent.

You can then:

• Assign calculated compensation plans to employees like other compensation plans.
• Use plans as part of a compensation basis.
• Use plans for MBT employees and non-MBT employees.

    Note: Calculations based on commission plans, remainder plans, or nonfixed salary plans won't be accurate for MBT scenarios.
• View or update data in the **Other** section in Compensation reports and transactions, and in staffing transactions that include compensation. Example: During a *Request Compensation Change* business process, Workday displays a list of compensation plans for the employee. You open the **Other** section to display any calculated plans assigned to the employee.

Calculated plans for MBT employees can't have dependencies on commission plans or remainder plans.

Unlike other compensation plans, Workday doesn't remove calculated plans with a zero value. Workday can recalculate zero value calculated plans when compensation transactions, or staffing transactions that include compensation, change the value.

For dynamic plans not part of the Primary Compensation Basis, Workday updates assignment amounts for MBT employees. However, Workday only changes the effective date if the event requires a recalculation.

Workday can't process salary-dependent calculated plans that:

• Use a subtractive calculation compensation basis and a salary plan.
• Use a guaranteed calculation compensation basis for MBT workers.
• Include plans with a ceiling and maximum salaries that don't equal 100%.
• Include plans without a target percent in the calculated plan and where the compensation element is in a base pay group.

Calculated Plan Assignment Updates by Position

For MBT employees, Workday updates calculated plans when performing top-down calculations. You can also update calculations on a schedule using the **Mass Operation Management** task.

Create a calculated plan that adds a fixed amount to the salary of each employee for every year of service. Use the **Create Arithmetic Calculation** task to create a calculation that multiplies years of service (using a Workday-delivered report field) by a fixed Accrual amount set up as a Constant Value. Then use the **Mass**

Operation Management task and the *Calculated Plan Assignment Updates by Position* operation type to update these employees once each year.

Related Information
Concepts
Concept: Payroll Calculations
Concept: Delete Calculations
Concept: Calculated Fields and Calculations
Tasks
Create Calculations
Reference
Reference: Boolean Calculations
Reference: Numeric Calculations
Reference: Date Calculations
The Next Level: Non-Manage Basis Total Calculated Plans
Reference: Calculations and Calculated Fields Comparison

Locality Pay

Steps: Set Up Locality Pay Areas

Prerequisites

Security: *Set Up: Locality Pay* domain in the Core Compensation functional area.

Context

A locality pay area in Workday consists of 1 or more locations that share a percentage cost-of-living adjustment to base pay. You can use the percentage when calculating compensation plans. When an unfilled position is eligible for 2 locality pay areas, Workday uses the greater of the 2 percentages. You can assign locations only to 1 locality pay area.

Steps

1. Access the **Create Locality Pay Area** task.

   Assign a percentage for the base pay adjustment and select locations for the locality pay area.

2. Access the **Create Arithmetic Calculation** task.

   Configure a locality pay calculation.

3. Assign the locality pay calculation to a compensation plan.

   See Steps: Manage Calculated Plans for Compensation on page 1029.

4. Roll Out Compensation Plans to Employees on page 942.

Next Steps

Run the **Active Locality Pay Areas** report to view a complete list of active locality pay areas.

Related Information
Reference
2022R2 What's New Post: Locality Pay Areas

Concept: Locality Pay Areas

When you set up locality pay areas in Workday, you can group multiple work locations into an area and assign a percentage of additional base pay to it. Example: You can group employees in San Francisco and Los Angeles into the locality pay area for California. Then, you can configure that area to add 25 percent to their base pay.

You can leverage the locality pay area percentage in calculated compensation plans.

Using locality pay areas is helpful when you:

* Have set base salaries for identical positions within given compensation grades and steps.
* Have multiple work locations with different costs of living or other unique attributes.
* Use multiple complex calculations to determine additional base pay by location.

This feature is available for all customers.

Related Information
Reference
2022R2 What's New Post: Locality Pay Areas

One-Time Payment Plans

Steps: Set Up and Manage One-Time Payments

Prerequisites

Set up compensation elements and eligibility rules.

Context

You can use one-time payments for:

* Referral bonuses.
* Retention incentives.
* Severance payments.
* Signing bonuses.

You can also access these web services:

* *Get One-Time Payment Plans*
* *Put One-Time Payment Plan*
* *Request One-Time Payment*

Steps

1. (Optional) Access the **Create One-Time Payment Plan Configurable Category** task.

   You can create categories for one-time payments for informational or reporting purposes. You can use these Workday-delivered categories:

   * *Referral* for rewarding employees that refer successful new hires.
   * *Clawback* to enable the tracking of a clawback date on one-time payment processes. See: Concept: Forfeit and Clawback for Terminated Workers on page 1043.

   Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

2. (Optional) Access the **Create One-Time Payment Plan Schedule** task.

Select a number and a unit for each schedule you create.

Example: Create a schedule called *Retention Bonus* with **Number** set to 2, **Unit** set to Year, and **From Date** set to *Scheduled Payment Date*. If you select *Retention Bonus* in an amount-based plan with **Category** set to *Clawback*, you can recover the bonus up to 2 years after the **Scheduled Payment Date**.

Example: Create a schedule called *Wait Period* with a **Number** of 3 and a **Unit** of Months. If you select *Wait Period* on an amount-based plan with **Category** set to *Referral*, Workday pays when the employee serves 3 months beyond the **Hire Date**.

Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

3. (Optional) Access the **Edit Tenant Setup - HCM** task.

Select the **Route Business Processes Based on Costing Overrides** option in the **Compensation** section. If you use worktags on these business processes:

- *Request One-Time Payment*
- *Request One-Time Payment Offer/Employment Agreement*

Workday routes steps to the managers associated with the worktags.

You can optionally select the **Data Entry Check Options** > **Select areas to switch on Data Entry Check** > **Request One-Time Payment - OTP Amount** item on the **Edit Tenant Setup - HCM** task. Doing so enables Workday to validate the data you enter for the one-time payment amount. If the numeric value you enter is a statistical outlier, Workday displays a validation message. Outliers are determined from historical entries of the one-time payment plan type. See: ../../../manage-workday/tenant-configuration/tenant-setup/dan1370797339945.dita

Consider selecting the **Enable Multiple One-Time Payments** check box on the **Edit Tenant Setup - HCM** task. If not selected:

- You can only configure 1 one-time payment for each event.
- Workday prevents you from adding a one-time payment during the *Termination* process if the employee has a clawback payment.

Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

4. Create One-Time Payment Plans on page 1037.

5. (Optional) Access the **Maintain Custom Validations** report to configure custom validations for one-time payments.

Custom validations enable you to warn or prevent users from submitting one-time payments with invalid data combinations. You can also specify one-time payment plans within the conditions of your custom validation.

We recommend not making configuration changes to custom validations while there are one-time payments in progress.

Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

6. (Optional) Access the **Maintain Event Categories and Reasons** task.

You can enable the selection of reasons by manager role-based security group when requesting a one-time payment. To do so, select **Manager Reason** for the *Request One-Time Payment* business process, and the applicable reason code

Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

7. (Optional) Access the **Configure Optional Fields** task.

   You can hide or require most fields delivered as optional on these business processes:

   - *Request One-Time Payment*.
   - *Request One-Time Payment for Self*
   - *Request One-Time Payment Offer/Employment Agreement*.
   - *Request Referral Payment*.

   Changes made to optional fields apply to all:

   - Payments that are part of the event.
   - Events already in progress and all those in the future.

   Note: Any fields configured as hidden or required applies even when the business process is used as a subprocess of another business process.

   Security: *Set Up: Configure Optional Fields* domain in the System functional area.

8. (Optional) Add one-time payment business processes as steps on the *Offer*, *Hire*, or *Change Job* business processes.

   If you include *Request One-Time Payment* as a subprocess of *Offer* as a signing bonus, Workday recommends adding it to both *Hire* and *Change Job* too. Doing so ensures that any one-time payment included with an offer carries forward into *Hire* and *Change Job*.

   If you plan to use *Request One-Time Payment Offer/Employment Agreement* as a subprocess of *Offer*, consider configuring your one-time payment plans with eligibility rules based on job requisition attributes.

   You can automate referral bonuses by:

   - Creating referral payment plans.
   - Associating referral payment plans to job requisitions or job profiles.
   - Adding the *One-Time Payment for Referral* subprocess to the *Hire* business process.

9. Request One-Time Payments for Employees on page 1040.

10. (Optional) Steps: Enable Self-Service One-Time Payments on page 1042.

Related Information
Tasks
Steps: Set Up Referrals on page 419
Steps: Set Up Referral Payment Processes on page 423
Create and Edit Job Requisitions on page 573
Steps: Set Up Compensation Components on page 895
Configure Custom Validation Messages
Steps: Enable Self-Service One-Time Payments on page 1042

Create One-Time Payment Plans

Prerequisites

- Set up compensation components and grades.
- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

You can create one-time payment plans and use them for:

- Referral bonuses.
- Retention incentives.
- Signing bonuses.

- Severance pay.

After you create one-time payment plans, you can assign them to employees.

Steps

1. Access the **Create One-Time Payment Plan** task.
2. (Optional) Select the **Enable Coverage Dates** check box to display the **Coverage Dates** section on the **Request One-Time Payment** task.

   Coverage dates enable Workday Payroll or Payroll Integration to associate dates with the one-time payment for US Fair Labor Standards Act (FLSA) reporting requirements.
3. (Optional) Select a **Category**.

   Workday delivers these categories:

Option	Description
Clawback	If selected, Workday displays the **Clawback Payment Options** section and enables the **Clawback Date** field on any *Request One-Time Payment* process configured using this plan.
Referral	For use with amount-based employee referrals only.
	To add the *One-Time Payment for Referral* step to the *Hire* business process, you must add the *Referral* category. One-time payment plans that use the *Referral* category aren't available for use in other business processes.

   You can create additional categories for reporting and sorting purposes on the **Create One-Time Payment Plan Configurable Category** task.
4. (Optional) Configure the **Clawback Payment Options** section.

   This is only available if you selected the *Clawback* category.

Option	Description
Clawback Schedule	Select a schedule created with the **Create One-Time Payment Plan Schedule** task.
	Example: Create a schedule called *Retention Bonus* to recover the bonus up to 2 years after the **Scheduled Payment Date**. Workday populates the **Clawback Date** on any *Request One-Time Payment* process configured with this plan.
	You can access the **One-Time Payments Eligible for Clawback** report to display one-time payments with a clawback date that occurs after the worker's termination date.
Clawback Calculation	Select a calculation created in the Compensation category on tasks such as **Create Arithmetic Calculation** and others to assist in calculating an amount for clawback during the worker's termination process. You can use Workday-delivered calculations as a starting point, such as:
	• Recommended Clawback Percent based on Length of Employment.
	• Recommended Clawback Percent based on Scheduled Payment Date.

5. (Optional) Configure **Referral Payment Options**.

   This is only available if you selected the *Referral* category.

Option	Description
Payment Schedule	(Optional) Select a schedule created with the **Create One-Time Payment Plan Schedule** task.

Option	Description
	Example: Create a schedule called *Wait Period* to hold payment for 3 months after the hire date.
	If not selected, Workday pays the referral bonus on the hire date.
Cost to New Hire Organizations	(Optional) Select to charge the referral to the hiring organizations during the *Hire* process.
	If selected, Workday:
	• Automatically populates worktags with relevant organization assignments from the referrer and hiring organizations. • Displays the organization assignments for both the new hire and referrer.

6. In the **Defaults** section, consider:

Option	Description
Compensation Element	If you select a compensation element with a gross up earning, Workday automatically selects the **Gross Up** check box.
Target Amount	Enter the amount to pay to the employee.
	For a gross up earning, enter the desired net payment.
Target Percentage	Enter the percentage of total base pay used to calculate the payment amount.
	For a gross up earning, enter the percentage for the desired net payment.
Currency	Enter the currency for the payment.
Reference Frequency	Select the frequency for Workday to use when calculating the payment amount.
	Example:
	• Total base pay for Leslie is 125,000. • You select 10 percent for the **Target Percentage**. • You select *Quarterly* for the **Reference Frequency**.
	Workday calculates the payment amount: 125,000 * 0.10 * 0.25 = 3,125, or 10 percent of one quarter of the total base pay.
Recommended Minimum / Recommended Maximum	Select values to serve as guidelines for the manager requesting the one-time payment. Managers can enter values outside of the range.

7. In the **Plan Eligibility** section, select 1 or more eligibility rules.

For referral plans, eligibility rules can use report fields on the hired worker and the referral to determine eligibility.

8. (Optional) Select 1 or more **Worktags** configured on the **Maintain Worktag Usage** task for integration with Workday Payroll or a third party payroll integration.

You can't select worktags if you selected the **Cost to New Hire Organizations** check box.

9. (Optional) Set up 1 or more profiles in the **One-Time Payment Plan Profiles** section if you want multiple plan targets.

   If you're defining the plan to have multiple targets, the **One-Time Payment Plan Profiles** section enables you to create a single plan for what are effectively multiple plans.

   Example: You can set up 1 profile where the target for individual contributors is 500 USD and the target for directors is 1000 USD.

Next Steps

You can hide the compensation plan type from specified groups of workers using the *Worker Data: Compensation Plan Type* domain in the Core Compensation functional area.

Related Information
Concepts
Concept: Compensation Elements and Payroll Processing
Tasks
Roll Out Compensation Plans to Employees on page 942
Roll Out Compensation Plans to Employees on page 942
Steps: Set Up Referral Payment Processes on page 423

Request One-Time Payments for Employees

Prerequisites

- Configure the *Request One-Time Payment* business process for your organizations.
- Configure the *Request One-Time Payment Offer/Employment Agreement* business process if you use the Workday Recruiting *Offer* business process.

  If using Consolidated Tasks for *Offer*:

  - Select the **Consolidate Tasks** check box on the business process security policy.
  - Configure modify access on the *Candidate Data: One-Time Payment Offer* domain in the Core Compensation functional area.
- Set up primary or required worktags with the **Maintain Worktag Usage** task to integrate with Workday Payroll or Payroll Integration.
- Security: *Request: One-Time Payment* in the Core Compensation functional area.

Context
You can request a one-time payment for an employee when:

- You access the **Request One-Time Payment** task for a referral bonus, a retention incentive, or for another reason.
- You've included the *Request One-Time Payment* business process as a step in business processes such as *Offer*, *Hire*, *Change Job*, or *Termination*.

You can also use the *Request One-Time Payment* web service.

Steps

1. Access the **Request One-Time Payment** task.
2. (Optional) Select an **Employee Visibility Date**.

   If configured, Workday hides updated pay-related compensation data from the worker until the date. If left blank, Workday uses the effective date. See: FAQ: Employee Visibility Date on page 1101.
3. (Optional) Select **Add** to configure the one-time payment.
4. Select a **One-Time Payment Plan**.

5. (Optional) Select 1 or more **Worktags** to integrate with Workday Payroll or Payroll Integration.

   For more control of payroll expense reporting, you can configure related worktags on the **Maintain Related Worktag Usage** task. See: ../../manage-workday/user-experience/worktags/baj1561753561443.dita.Example: Configure Cost Center as a related worktag for one-time payments.

   If you use worktags, you can also enable the **Route Business Processes Based on Costing Overrides** option in the **Compensation** section on the **Edit Tenant Setup - HCM** task. Doing so enables Workday to route business process steps to the managers associated with the worktags.

6. (Optional) Select a **Costing Company**.

   Workday overrides the default company and charges the one-time payment to the company you select.

   This only displays if you selected the **Intercompany Accounting - Enable** check box in the Payroll Accounting section on the **Edit Tenant Setup – Payroll** task. See: ../../manage-workday/tenant-configuration/tenant-setup/dan1370796805364.dita.

7. Select a **Scheduled Payment Date** greater than the **Effective Date**.

   This only displays if you selected the **Enable Multiple One-Time Payments** check box in the Compensation section on the **Edit Tenant Setup - HCM** task. See: ../../manage-workday/tenant-configuration/tenant-setup/dan1370797339945.dita.

   When using multiple one-time payments, the **Scheduled Payment Date** can differ for each payment.

   Workday processes the one-time payment in the on-cycle payroll calculation for the pay period that includes the **Scheduled Payment Date**.

8. (Optional) Select a **Coverage Start Date** and **Coverage End Date**.

   The **Coverage Period** section only displays if you selected **Enable Coverage Dates** on the one-time payment plan. Coverage dates enable Workday Payroll or Payroll Integration to associate dates with the one-time payment for US Fair Labor Standards Act (FLSA) reporting requirements.

9. Select the **Send to Payroll** check box for Workday Payroll or Payroll Integration to process the payment.

   Otherwise, Workday doesn't process the payment.

   With **Send to Payroll** selected, the **Forfeit** check box displays during terminations for both one-time and bonus payments under certain conditions. See: Concept: Forfeit and Clawback for Terminated Workers on page 1043.

   If you select **Forfeit**, Workday forfeits the payment, overriding **Send to Payroll**, and won't pay the one-time or bonus payment.

10. Select a **Clawback Payments** option:

Option	Description
Do Not Clawback	If selected, Workday still creates the clawback payment for reporting purposes, but takes no other action. Use this option if you don't plan on recovering the payment.
Send to Payroll	If selected, Workday processes the clawback payment through Payroll on the **Scheduled Clawback Date**.
Recover Manually	Select this if you intend to recover the one-time payment manually, outside of Workday.

Related Information
Concepts
Concept: Compensation Elements and Payroll Processing
Concept: Off-Cycle Payments
Tasks
Add Worklets to Business Processes on page 2708
Maintain Worker Documents on page 104

Reference

Steps: Enable Self-Service One-Time Payments

Context

You can enable workers to request one-time payments for themselves using the *Request One-Time Payment for Self* business process.

Steps

1. Edit Business Process Security Policies.

   Access the **Create Business Process Definition (Default Definition)** task and create a default definition and security policy for the *Request One-Time Payment for Self* business process type.

   Give security groups access to the *Self-Service: Request One-Time Payment* domain in the Core Compensation functional area.

2. Hide or Require Optional Fields.

   Access the **Configure Optional Fields** task and select **Core Compensation** > **Request One-Time Payment for Self** from the **By Functional Area** prompt.

   Workday permanently hides these fields from the worker during the *Request One-Time Payment for Self* business process:

   - Coverage Dates
   - Gross Up
   - Recommended Maximum
   - Recommended Minimum
   - Send to Payroll
   - Target Amount
   - Target Currency
   - Target Frequency
   - Target Percent

3. Access the **Maintain Custom Validations** report to configure custom validations for one-time payments.

   Existing custom validations for the *Request One-Time Payment* process also apply to the *Request One-Time Payment for Self* process. Use the *One Time Payment Event for Self* source external field to exclude these types of events from specific custom validations.

   Configure any custom validations that your organization requires. Consider adjusting any custom validations that you use only for the *Request One-Time Payment* event.

4. Select the **Worker Selectable** check box on one-time payment plans to enable them for self-service.

   Doing so enables the plan for selection during the *Request One-Time Payment for Self* business process, provided the worker is eligible for the plan. If you don't select **Worker Selectable**, workers can't select the plan during the *Request One-Time Payment for Self* process.

Result

Workers with the appropriate security can access the **Request One-Time Payment for Myself** task to initiate the *Request One-Time Payment for Self* business process. Workers can also access the task from the **Benefits and Pay Hub**.

Workers can cancel their one-time payment request but only while it's still in progress. Workers can't correct or rescind their own *Request One-Time Payment for Self* process after it completes, regardless of the business process security policy.

Related Information
Reference
Reference: Benefits and Pay Hub on page 973
2022R2 What's New Post: Self-Service for One-Time Payments

Concept: Forfeit and Clawback for Terminated Workers

Workday provides the ability to forfeit and claw back one-time payments to terminated workers processed through Workday Payroll or Payroll Integration.

Workday Payroll only processes the one-time payment when you select the **Send to Payroll** option on the **Request One-Time Payment** task. With **Send to Payroll** selected, the **Forfeit** option displays during terminations for both one-time and bonus payments only when both:

- You have configured *Request One-Time Payment* as a step in the *Termination* business process.
- The **Scheduled Payment Date** on the one-time or bonus payment is after the **Termination Date**.

  The worker still has the primary position as when you configured the one-time or bonus payment. Workday only displays those one-time or bonus payments associated with the current position. Workday doesn't display a payment if the worker changes jobs or gets a new primary position after you configured the payment.

  Example: Terry has a one-time payment associated with their current position, but also has another associated with their old position. During the termination process for Terry, Workday displays only the one-time payment associated with Terry's current position.

If you select **Forfeit**, Workday forfeits the payment, overriding **Send to Payroll**, and won't pay the one-time or bonus payment.

You can also claw back one-time payments. The **Clawback** section displays only when 1 or more of the worker's one-time payments meet these criteria:

- You selected the *Clawback* category on the one-time payment plan.
- You selected **Send to Payroll**.
- The **Clawback Date** on the one-time payment is after the worker's **Termination Date**.
- The **Scheduled Payment Date** is on or before the **Termination Date**.
- The worker still has the primary position as when you configured the one-time or bonus payment. Workday only displays those one-time or bonus payments for clawback associated with the current position. Workday doesn't display a payment for clawback if the worker changes jobs or gets a new primary position after you configured the payment.

Related Information
Tasks
Steps: Enable Self-Service One-Time Payments on page 1042
Request One-Time Payments for Employees on page 1040

Compensation Basis

Steps: Manage Compensation Basis

Steps

1. (Optional) Create Compensation Rounding Rules on page 1075.
2. Create Configurable Compensation Basis on page 1045.
3. (Optional) Create Calculation Compensation Basis on page 1047.
4. (Optional) Access the **Map Retirement Savings Plans to Compensation Basis** task.

   For Workday to calculate the employer contribution amount based on a percentage of the employee's salary, identify the compensation basis that defines the components that make up the employee's salary. Otherwise, Workday can't calculate the employer contribution amount and the compensation basis amount is zero.

   If the plan is part of a compensation basis that has the **Manage Basis Total** check box selected, you can't change the selected compensation basis.

   Security: *Set Up: Base and Plan* and *Worker Data: Total Rewards* domains in the Core Compensation functional area.
5. (Optional) Access the **Set Up Compensation Basis Adjustment** task.

   Adding or changing a rounding rule on an existing compensation basis applies only to future compensation transactions, but not the existing Primary Compensation Basis (PCB). After you've added or changed a rounding rule on an existing compensation basis, use this task to apply it to employee's existing PCB.

   You can select all workers that have the compensation basis, select 1 or more eligibility rules, or select 1 or more specific employees.

   Security: *Process: Compensation Plan Employee Management* domain in the Core Compensation functional area.
6. Associate compensation bases with percent-based compensation plans, such as allowance, period salary, bonus, or stock plans:

   Workday uses this to calculate the employee's individual target amounts. Workday uses individual target amounts to calculate pool amounts.
7. (Optional) Access the **Model Allocation by Compensation Basis** report.

   For workers managed by a compensation basis, simulate the changes that result from business processes such as *Change Job*, *Change Position*, *Hire*, or *Request Compensation Change*.

   Note: Workday doesn't display data unless the business processes would change it.
8. (Optional) Manage merit awards using a compensation basis.
   a) Create Compensation Packages on page 958

      To assign a compensation basis to the compensation package, complete the **Compensation Basis** tab.
   b) Create Merit Plans on page 1000

      Select the **Manage Basis Total** check box.

   Workday allocates merit increases during a compensation change, job change, promotion, transfer, or demotion to the compensation plans associated with the compensation basis.

Related Information
Concepts
Concept: Compensation Basis on page 1048
Tasks
Steps: Set Up Eligible Earnings Overrides for Bonuses on page 1005

Create Configurable Compensation Basis

Prerequisites

- Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.
- Create compensation plans.

Context

You can create a compensation basis from 1 or more compensation plans. You can then use the basis to manage merit awards and assign or change employee compensation.

You can also use these web services to retrieve, add, or modify configurable compensation bases:

- Get Configurable Compensation Basis.
- Put Configurable Compensation Basis.

Note: You can't use these web services to retrieve or upload configurable compensation bases with **Manage by Basis Total** selected. Use the **Create Configurable Compensation Basis** task instead. You also can't use these web services for calculation compensation bases. Use the **Create Calculation Compensation Basis** task instead.

Steps

1. Access the **Create Configurable Compensation Basis** task.
2. In the **Details** section, consider:

Option	Description
Eligibility Rule	Select 1 or more eligibility rules to apply the compensation basis only to specific employees. If you leave the field blank, the compensation basis applies to all employees.
Functional Areas	Select 1 or more: • *Benefits*: If you're going to include a retirement savings plan. • *Compensation*: If you want to use it in compensation-related transactions or in the severance worksheet. • *Planning*: If you want to create a custom compensation basis for your headcount plans. (Requires access to the Workday Planning product.) • *Projects and Work*: (For Projects only.) If you want to use this compensation basis to derive a fully burdened cost rate for worker on a project.

Option	Description
Use to View Compensation	Available only if you selected *Compensation* in the **Functional Areas** field. If selected: • **Configurable Compensation Basis** displays on the worker's related actions menu. • **Compensation Basis** is available for percentage-based plans such as bonus or allowance.
Ranking	Available only if you selected *Compensation* in the **Functional Areas** field. If an employee is eligible for more than 1 compensation basis, Workday: • Calculates the amount using the highest ranking compensation basis, known as the Primary Compensation Basis (PCB). • Uses the PCB for reporting estimated earnings. Example: Sam is eligible for compensation bases with **Ranking** set to 2, 3, and 4. Sam isn't eligible for the compensation basis ranked 1. The compensation basis ranked 2 is the highest Sam is eligible for and is the PCB.
Compensation Plan	• *All*: All compensation plans of the same type included in the calculation of the compensation basis. • *Base Pay Only*: Includes all compensation plans of the same type in the calculation of the compensation basis, provided the compensation element selected on the plan is part of the employee's compensation grade as a base pay element.

3. In the **Manage Basis Total** section, consider:

Option	Description
Manage Basis Total	If selected, you can manage the change to an employee's compensation as a total compensation amount. Workday distributes the change to the components that make up the compensation basis.
Salary Plans Maximum	Example: If an employee's total compensation amount is 100,000 USD and the **Salary Plans Maximum** is 30 percent, then the amount allocated to salary plans can't be greater than 30,000 USD.
Rounding Rule	Workday rounds compensation plan assignment amounts for all future compensation transactions. A rounding rule created using the **Create Compensation Rounding Rule** task with the **Round to Currency Precision** check box selected provides the most precise results. Discrepancies between the original PCB entered and what is displayed after plan allocation might result from unit-based plans that include

Option	Description
	a payment frequency. Example: If the total compensation basis equals 200,000 USD, the displayed value of the total compensation basis might be rounded down to 199,999.10 USD if the 2 unit-based allowance plans are: • Rounded to currency precision. • Paid quarterly.
Retain Basis Total	If selected, Workday retains the compensation basis total even when a staffing transaction changes compensation plan assignment. Example: If **Retain Basis Total** is selected, Workday populates the proposed total with the existing compensation basis total during the *Propose Compensation* step of the *Change Job* process. Workday then rebalances the plan assignments but keeps the compensation basis total fixed. If **Retain Basis Total** isn't selected, Workday recalculates the compensation basis total based on the changed plan assignments.

Include an amount-based allowance, bonus, stock, or commission plan that allows overrides to handle any remainder amounts from Workday's automatic distribution. Otherwise, Workday can't allocate the full amount of the change to the employee.

4. (Optional) Select **Calculation Bases** created on the **Create Calculation Compensation Basis** task.
5. Complete the information for each plan you want to include in the compensation basis.

Next Steps

If you edited an existing compensation basis and added or changed a rounding rule with **Manage Basis Total** selected, you can use the **Set Up Compensation Basis Adjustment** task to apply the rule to existing plan assignment amounts.

Related Information
Tasks
Create Compensation Rounding Rules on page 1075

Create Calculation Compensation Basis

Prerequisites

• Create compensation plans.
• Security: *Set Up: Base and Plan* domain in the Core Compensation functional area.

Context

You can use a calculation compensation basis to augment a compensation basis used to support global operations.

Steps

1. Access the **Create Calculation Compensation Basis** task.
2. Select the type:

Option	Description
Adjustable Basis	Comprised of variable and guaranteed plans that Workday might adjust during the calculation.

Option	Description
Guaranteed Basis	Comprised of plans, the sum of which is guaranteed for the worker. Workday can only decrease the guaranteed amount when the worker's Primary Compensation Basis (PCB) amount decreases.
Subtractive Basis	Associated with a percentage-based compensation plan. Workday decreases the PCB by the amount defined by the subtractive basis. Workday then calculates the percentage-based plan target amount.
Variable Basis	Defines the variable amount of the compensation basis and can include: • Plans that decrease when you must add funds to the guaranteed plans to preserve the guaranteed amount. • Plans that you adjust in inverse proportionality to the amount needed to fund the guaranteed amount.
Fixed Basis	Includes fixed compensation plans that Workday won't change during Manage by Basis Total calculations, even if you selected **Retain Basis Total**. Workday treats the compensation plans you select as a higher priority than maintaining the PCB.

3. (Optional) Select the **Compensation Plans** that make up the calculation compensation basis.

Result

You can select calculation compensation bases created on the **Create Calculation Compensation Basis** task. You can select subtractive calculation compensation bases when creating or editing a percentage-based compensation plan.

Next Steps

• Create a compensation basis associated with a calculation compensation basis.

   Note: If **Apply FTE %** is selected on both the calculated compensation basis and on the salary or allowance plan, Workday applies the FTE % twice. Example: If a calculation compensation basis has **Apply FTE %** selected and includes an allowance plan that also has it selected, Workday prorates the allowance plan twice.

• **View Calculation Compensation Basis**, **Edit Calculation Compensation Basis** or **Delete Calculation Compensation Basis** tasks.

Concept: Compensation Basis

A compensation basis groups together compensation components that define estimated earnings for employee populations.

Examples:

• On Target Earnings US: Includes salary plans, commission plans, bonus plans.
• On Target Earnings UK: Includes salary plans, allowance plans, commission plans, bonus plans.
• Cost to Company: Includes salary plans, allowance plans, and bonus plans.

Workday uses the value associated with the grouped compensation components:

• As the basis for percentage-based allowance, bonus, period salary, and stock plans; and compensation packages.

   Example: You can define an allowance plan to be 10 percent of total cost to company.

- To define how Workday manages merit changes for an employee, or other processes that change compensation.

  You can either change an employee's compensation at the individual plan level or manage by basis total (MBT). If you use MBT, Workday automatically distributes the new total amount across the plans that make up the compensation basis.

Workday delivers 3 compensation bases:

- *Total Base Pay*: Includes all salary and allowance plans defined as base pay for the compensation grade or grade profile.
- *Total Salary and Allowances*: Includes these plans assigned to a position:
  - Allowance plans.
  - Calculated plans.
  - Salary plans.
  - Period salary plans.
  - Unit salary plans.
  - Hourly plans.
- *Eligible Earning Override*: For bonus plans and processes only. Includes customer-defined currency amounts at the employee level used as the basis for bonus calculations.

For employees eligible for more than 1 compensation basis, Workday calculates the amount using the highest ranking basis, called the Primary Compensation Basis (PCB). Workday uses the PCB for reporting estimated earnings.

You can configure and manage your compensation bases, including the **Ranking**, on these tasks:

- **Create or Edit Configurable Compensation Basis**
- **Create Calculation Compensation Basis**
- **Maintain Compensation Basis**

See:

You can then view the compensation basis value for employees using reports and processes such as the **Compensation Basis Analytics** report.

Manage Basis Total (MBT)

Managing employees by a compensation basis total simplifies the management of diverse, interrelated compensation components common for companies that operate globally. Rather than updating several individual plans from the bottom up, managing by a basis total enables you to update a single value from the top down. Workday then redistributes the total across the individual plans that comprise the basis.

For compensation review processes, select the **Manage Basis Total** check box on the merit plan. If these conditions are met, when you enter 120,000 USD as the merit increase, Workday distributes this sum in this order:

1. Applies the award to amount-based compensation plans that don't allow overrides.
2. Applies the award to percent-based compensation plans.
3. Applies the award to amount-based compensation plans that allow overrides.
4. Workday applies any remainder amount to the compensation plans that allow overrides.

Note: If your plan doesn't allow overrides, Workday doesn't distribute the full amount.

Calculation Compensation Basis

A calculation compensation basis augments a compensation basis and is used primarily in support of global operations. A calculation compensation basis can be of these types:

Calculation Compensation Basis Type	Description
Adjustable Basis	Comprised of variable and guaranteed plans that Workday adjusts during the calculation.
Guaranteed Basis	Comprised of plans, the sum of which is guaranteed for the worker. Workday can only decrease the guaranteed amount if the worker's PCB amount decreases. Workday won't exceed a ceiling set on a percentage-based allowance plan.
Subtractive Basis	Associated with a percentage-based compensation plan. Workday decreases the PCB by the amount defined by the subtractive basis. Workday then calculates the percentage-based plan target amount.
Variable Basis	Defines the variable amount of the compensation basis. A variable basis can be made up of: • Plans that Workday decreases when funds must be added to the guaranteed plans to preserve the guaranteed amount. • Plans that Workday adjusts in inverse proportionality to the amount needed to fund the guaranteed amount.

Workday uses adjustable, guaranteed, and variable calculation compensation bases as parameters when calculating the compensation basis.

You manage calculation compensation bases with the **Create Calculation Compensation Basis**, **Edit Calculation Compensation Basis**, and **Delete Calculation Compensation Basis** tasks. Use the **Create Configurable Compensation Basis** or **Edit Configurable Compensation Basis** tasks to associate calculation compensation bases with a compensation basis.

To use a subtractive compensation basis, you must edit a percentage-based compensation plan to include it. Workday decreases the PCB by the amount defined by the subtractive basis. Workday then calculates the percentage-based plan target amount.

Managing employees with a compensation basis linked with a calculation compensation basis changes how Workday calculates plans.

Guaranteed Basis Example: Company A is located in France. The vacation premium is a guaranteed amount and part of the collective agreement. Within Workday, this guaranteed amount can never be reduced unless the employee is demoted. The guaranteed vacation premium amount remains in place through compensation changes while the collective agreement remains valid for the employee.

To guarantee the amount remains in place in Workday:

• Create a guaranteed calculation compensation basis.
• Add the vacation premium plan to the guaranteed compensation basis.
• Associate the guaranteed calculation compensation basis with the worker's PCB.

Subtractive Basis Example: A bonus plan defined as a percentage of the PCB minus commissions.

Variable Basis Example: Sales Incentive plans.

Related Information
Tasks
Steps: Manage Compensation Basis on page 1044
Reference
The Next Level: Compensation Series: Manage Basis Total

FAQ: Manage Basis Total (MBT)

What is Manage by Basis Total (MBT)?	Managing employees by a compensation basis total (MBT) simplifies the management of diverse, interrelated compensation components common for companies that operate globally. MBT is a method to manage total cash compensation through 1 overall value rather than multiple values at the plan level. Example: During a compensation transaction, you update the employee MBT value and Workday allocates the changed value to all the compensation plans that comprise the compensation basis.
What's the difference between MBT and non-MBT compensation?	It's an entirely different method of managing compensation. Whether to use MBT is as important a decision as selecting a staffing model. While MBT enables you to update 1 value, non-MBT compensation requires that you individually update the value of every compensation plan that makes up the compensation basis.

MBT	Update 1 value. Workday allocates the change from the top down to all compensation plans that comprise the basis.
Non-MBT Compensation	Update the value of the compensation plans that comprise the basis from the bottom up.

Why should I use MBT?	It's much easier to manage a single value than to manage a diverse and complicated set of compensation components and their interdependencies. This is especially true

for multinational corporations with multiple compensation components and dependencies on country-specific regulations, employment agreements or union contracts, and company policies.

Implementing MBT:

- Enables you to enter a single total compensation amount.
- Configures Workday to allocate the total among the compensation plans that comprise the basis.
- Enables managers to use a single point of entry to manage complex compensation events.
- Workday persists an assignment amount and currency for every plan type for each assignment. A compensation event must take place to update the assigned amounts.

Why should I use non-MBT compensation instead of MBT?

We don't recommend using MBT if you have employees with fixed compensation components or have assigned compensation plans that must be managed directly.

With non-MBT compensation:

- You must enter amounts for each individual compensation plan that comprise the basis, or let Workday automatically populate values based on the plan configuration.
- You must understand the details and the dependencies of complex compensation configurations.
- Workday calculates individual assignment amounts dynamically every time you view or report on an employee's compensation, based on the current state of compensation.

How difficult is it to switch from MBT back to non-MBT compensation?

You must run a **Mass Operation Management** task that converts stored data for workers that have a Primary Compensation Basis (PCB) with MBT. However, after the conversion, workers may have different total compensation amounts due to the difference in how Workday calculates amount-based and percent-based compensation plans. Workday recommends that you carefully analyze when deciding to switch back to non-MBT compensation from MBT.

How does Workday calculate MBT?

Rather than updating several individual plans, MBT enables you to update a single value. Workday then allocates the total across the individual plans, using this this sequential calculation:

Group	Description
1	Fixed amount plans.

Group	Description
2	Percentage plans, based on the PCB.
3	Percentage plans based on Groups 1 and 2, and any of their dependent plans.
4	Salary plans.
5	Percentage plans based on Groups 1 through 4, and any plans dependent upon the salary plans.
6	Remainder plans, which include amount plans that allow individual overrides.

The resulting changes to individual compensation amounts comprise a single compensation event.

During a compensation review process, you can change an employee's total compensation by changing their PCB. Workday automatically allocates that amount to the compensation plans that make up the PCB, provided it:

- Has the **Manage Basis Total** section completed.
- Is associated with the employee's compensation package.
- Is the PCB for the employee. Example:
  - You have CompBasis A with a ranking of 1, CompBasis B with a ranking of 2, and CompBasis C with a ranking of 3.
  - Based on the eligibility rules associated with each compensation basis, an employee qualifies for CompBasis B and CompBasis C.
  - Because the ranking for CompBasis B is higher than CompBasis C, the employee's PCB is CompBasis B.

What happens when a grade step changes for an MBT worker?

For employees with grade steps managed by a compensation basis total, Workday treats salary plans differently depending on whether they allow overrides. When a grade step changes:

- If the **Allow Override** option isn't selected on the salary plan step, Workday treats the salary increase associated with a step change as a fixed amount and doesn't alter it.
- If the salary plan does allow overrides, Workday allocates the plan as necessary.

In both cases, Workday performs a partial calculation for any plans that depend on the salary plan and adjusts the PCB.

When does Workday calculate MBT?	Workday runs the MBT calculation during these business processes, even when used as a step in another process: • *Propose Compensation Hire* • *Propose Compensation Offer/Employee Agreement* • *Propose Compensation Change* • *Request Compensation Change* • *Request Compensation Change for Leave of Absence* • *Initiate Compensation Review Process*
How does Workday calculate non-MBT compensation?	You update individual plans and Workday sums the change into the compensation basis. However, each update to individual plans may require managers to understand minute details and dependencies to determine compensation plan allocations.
What is a partial calculation and when is it used?	Workday performs partial calculations in cases where you update an individual compensation component during a business process such as *Change Job*. Workday then recalculates plans in the same sequence as a normal MBT calculation but begins at the step associated with the updated component, and skips previous steps. Example: The compensation administrator updates the salary plan amount assigned during a *Change Job* business process. With this change in salary plan, Workday performs a partial calculation beginning with the salary plan and continuing downward.
Can I use MBT if I must provide a guaranteed amount?	Yes. You can configure a calculation compensation basis and select Guaranteed Basis for the type. A guaranteed basis consists of plans, the sum of which is guaranteed for the worker. Workday can only decrease the guaranteed amount when the worker's PCB amount decreases. See: Create Calculation Compensation Basis on page 1047 and Manage by Basis Total - Advanced.
Does Workday persist updated compensation basis values when using MBT?	Yes. With MBT, Workday persists an assignment amount, currency, and frequency for every plan type for each assignment. A compensation event must take place to update the assigned amounts. For non-MBT compensation, Workday doesn't store plan assignment amounts for certain plan types at the assignment level. Workday recalculates these amounts dynamically each time they display, taking into account the current state of compensation data. Workday also calculates percent-based plans

differently and this often results in very different assignment amounts compared to MBT.

If I use MBT, does it apply to all workers?	No. An MBT worker must:

- Meet the conditions of the eligibility rule associated with the MBT compensation basis.
- Be eligible a PCB compensation basis that has:
  - An associated eligibility rule the worker qualifies for.
  - The **Manage Basis Total** option selected.
  - Compensation included in the **Functional Areas** field.
  - The **Use to View Compensation** option selected.
  - The **Ranking** must be set to 1.

What are some best practices for implementing MBT?	Workday recommends that you follow these best practices when configuring a compensation basis with MBT:

- Use the same frequency and currency for all pay components. Doing so ensures consistency when Workday recalculates individual pay assignments based on the PCB.
- Add MBT to the name of any compensation basis you create with the **Manage Basis Total** option selected. Consider doing the same if you use eligibility rules specifically for MBT.

Related Information
Tasks
Steps: Manage Compensation Basis on page 1044
Create Configurable Compensation Basis on page 1045
Reference
Manage by Basis Total

Set Up Compensation Reviews

Setup Considerations: Compensation Reviews

You can use this topic to help make decisions when planning your configuration and use of compensation reviews. It explains:

- Why to set it up.
- How it fits into the rest of Workday.
- Downstream impacts and cross-product interactions.
- Security requirements and business process configurations.
- Questions and limitations to consider before implementation.

Refer to detailed task instructions for full configuration details.

What It Is

Compensation reviews enable you to plan for and grant periodic:

- Merit increases to base pay, including promotions, allowances, and lump sum awards.
- Bonuses, including cash and deferred bonus in the form of stock.
- Stock grants as shares, options, or cash.

As part of your planning process, you can decide on compensation review milestones and set up grid configurations and named sets of initiation options.

Business Benefits

The compensation review process enables you to:

- Schedule important compensation milestones.
- Configure the organization type and roles with authority to create, edit, or review awards.
- Process staffing changes while compensation reviews are in progress.
- Manage budgets.
- Include merit, bonus, or stock plans.
- Select the organizations to include.
- Select the eligibility rules for target employee populations.
- Identify those responsible for planning, approving, and reviewing awards.

You can create a custom set of fields, or grid configurations, to guide managers during compensation reviews. You can set the fields to read-only, editable, or advanced (drill-down). You can reuse or update grid configurations in subsequent review cycles.

Use Cases

You can plan and schedule regular compensation reviews, including:

- Annual reviews that include merit, bonus, and stock awards.
- Semiannual or quarterly reviews that include bonus awards.
- Periodic reviews that include only stock awards and align with your fiscal cycle.

Questions to Consider

Questions	Considerations
Do you have employees in multiple countries or managers with direct reports in other countries?	As a best practice, consider selecting the **Calculate Inverse Rate** on the **Maintain Currency Conversion Rates** task for the selected rate type and affected currencies.
	If selected, Workday automatically calculates the inverse currency exchange rate between the source and target currencies.
	You can also select your own currency exchange rate.
Which goals factor into bonus awards?	To calculate bonuses, you can create compensation scorecards to capture company, division, or department goals and their attainment.
Do you offer stock to your employees?	You can configure stock plans based on amount, percent, or units. You can also grant cash in the same manner as stock.

Questions	Considerations
	You can use a third-party stock administration application to enable employees to manage their stock awards.
Do you move employees between organizations or create new organizations during compensation reviews?	You can use the **Maintain Compensation Review Process Employee Participation** report to add or remove employees to or from in-progress compensation review processes. You can also use the *Compensation Review Maintain Employee Participation* operation type on the **Mass Operation Management** task to remove or add back previously removed employees.
	The **Compensation Review Update New Organization Data** task runs automatically on a regular schedule to detect organizations that aren't currently in a compensation review process but have eligible employees resulting from:
	• The **Maintain Compensation Review Process Employee Participation** report. • The *Change Job* process. • The *Request Compensation Change* process. • The *Move Workers* process. • The *Change Organization Assignment* process.
	This task automatically adds new organizations provided they're both subordinate to the top level organization and existed before you initiated the process. Optionally, you can use this task to manually add newly detected organizations more quickly than the automatic process.
	See: Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
	As a best practice, Workday recommends that you create new organizations that you intend to add to a compensation review process before you initiate the process.
How do you manage staffing and compensation changes that occur while the compensation reviews are in-progress?	You can configure participation rule sets to manage individual compensation, grade, or job changes while the compensation review is in-progress.
	You can also:
	• Access the **Create Compensation Review Options** task. • Allow specific business processes to proceed with options for date ranges or eligibility rules.
	If you don't configure participation rule sets, Workday blocks job or compensation changes for eligible employees.
	• After process initiation.

Questions	Considerations
	• Before the latest effective date of any award in the compensation review event.
Do you need to allow some staffing or compensation changes while compensation reviews are in progress?	You can configure compensation review options that allow *Change Job* or *Request Compensation Change* events to proceed. You can: • Allow all events for the process to proceed for 1 or more date ranges. • Allow only events for the process to proceed for 1 or more eligibility rules and for 1 or more date ranges.
What fields do you want managers to view during compensation reviews?	You can configure compensation review grid configuration fields as read-only, editable, and advanced (drill-down) fields.
Is 1 compensation review grid adequate, or do you require more than 1, each targeted for a specific population?	You can set up grid configuration profiles, each targeted at users based on locale, organization, assigned roles, and other attributes. You can also set up a default grid configuration. See: Steps: Configure Compensation Review Grid Profiles on page 1082.
Do you use eligibility waiting periods?	You can configure eligibility waiting periods to determine whether employees are eligible for merit raises or bonuses.
Do you prorate merit or bonus target amounts?	You can base proration rules on base pay changes, time since hire, leaves of absence, and other criteria.
What period do you consider when prorating awards?	Workday uses the process period end date to determine: • Eligible employees based on their plan assignments. • The proration calculations and performance ratings used.
When do you want employees to find out their awards?	You can set an employee visibility date to hide awards until management communicates with employees outside of Workday.

Recommendations

Workday recommends that you create or retire organizations either before initiating a compensation review process or after the process completes.

If you use compensation matrices and include performance ratings, Workday recommends that you complete performance ratings before the process period end date of the compensation review.

Determine whether your event is large enough that you need to work with the Workday Production Readiness team.

See Workday Community: Production Readiness: Large Volume Events Best Practices. for guidelines about opening a Production Readiness case.

Requirements

No impacts.

Limitations

Workday doesn't support intersection security groups with exclusion criteria for compensation reviews.

Tenant Setup

You can configure these compensation review options on the **Edit Tenant Setup - HCM** task:

Option	Description
Disable Create New Compensation Review Statement functionality for Employee on View Compensation Review Statements	Prevents employees from creating their own compensation review statement.
Preferred Compensation Review Employee Awards Grid Limit	Workday limits to 500 the number of employees in the same organization hierarchy that a planner can view.

Security

These security domains in the Advanced Compensation functional area.

Domains	Considerations
Worker Data: Stock Grants	Required to configure stock pools or issue stock grants.
Worker Data: Propose Stock Award as Part of Compensation Review	Required to issue stock awards during compensation reviews. You can only configure roles on the same organization type as used in the *Complete Employee Awards* step.
Worker Data: Compensation Review Statements	Enables managers to print statements for their direct reports.
Self-Service: Compensation Review Statement	Enables employees to print their own statements.
Process: Compensation Management Events	Enables compensation administrators to initiate and finalize the process.
Process: Compensation Review Process Controls	Enables the Manager role to access and complete tasks.
Process: Compensation Review Process Participant	Enables support roles such as HR Partner and Compensation Partner to view and edit employee awards.
Process: Compensation Review Process Reviewer	Enables Reviewers (HR Partners and location or regional managers) to view or edit awards.

Business Processes

Before configuring the *Initiate Compensation Review Process* business process for all compensation reviews, consider which roles:

- Should have control over submitting employee awards. Examples: Merit Planner or Manager.
- To add to the *Complete Employee Awards* subprocess: Example: Compensation Administrator.

Reporting

Reports	Considerations
Compensation Review Process Search Employees (Default)	You can use this report to give participants access to the grid configuration within the Organization Summary.
Compensation Review Organization Search Report (Default)	You can use this report to give reviewers access to the grid configuration within the Organization Summary.
Compensation Review Process Status Report By Hierarchy	Administrators can use this report to access organizations in the process and review budgets, spend, and status.
Maintain Bonus Accrual Estimates	You can use this report to estimate bonus costs using the same initiation parameters as a periodic compensation review.

Integrations

Workday provides these public web services to support compensation reviews:

Web Service	Description
Get Compensation Matrices	Retrieves compensation review matrices. You can also use the *Put Compensation Matrices* web service.
Get Compensation Review Participation Rule Sets	Retrieves compensation review participation rule sets created on the **Maintain Compensation Review Participation Rule Sets** task. You can also use the *Put Compensation Review Participation Rule Sets*
Get Compensation Review Validation Rules	Provides validation rules created in Workday for compensation review processes.
Get Deferred Bonus Calculation	Displays deferred bonus calculations that you created on the **Create Deferred Bonus Calculation** task.
Get Eligibility Waiting Period	Provides eligibility waiting periods created on the **Create Compensation Eligibility Rule** task or the *Put Eligibility Waiting Period* web service.
Get Employee Awards	Provides employee awards for a specific employee by position or all employees in a supervisory organization.
Get Import Compensation Review Budget Pools	Imports into the compensation review budget pools for single or multiple organizations, by compensation review event and organization. You can include subordinate organizations by compensation plan type.

Web Service	Description
Import Compensation Review Budget Pools	Updates the budget pool, holdback, and reserve information for all supervisory organizations for a specified compensation review.
Import Eligible Earnings Override	Adds or updates eligible earnings override information for a given employee. Workday updates in-progress compensation reviews that: • Have participation rule sets. • Include bonus awards.
Import Employee Awards	Updates employee awards for specified employees, organization, and compensation review.
Put Compensation Matrices	Uploads compensation review matrices. You can also use the *Get Compensation Matrices* web service.
Put Compensation Review Participation Rule Sets	Uploads compensation review participation rule sets. You can also use the *Get Compensation Review Participation Rule Sets* web service.
Put Compensation Review Validation Rules	You can upload new or modified validation rules for compensation review processes into Workday.
Put Deferred Bonus Calculation	Add or change a deferred bonus calculation.
Put Eligibility Waiting Period	You can upload new or modified eligibility waiting periods.

Touchpoints and Connections

Compensation review events can touch many other areas in Workday, including the *Hire* and *Change Job* business processes, Workday Payroll, Workday Expenses, and Workday Talent.

Workday offers a Touchpoints Kit with resources to help you understand configuration relationships across your tenant. Learn more about the Workday Touchpoints Kit on Workday Community.

Related Information
Concepts
Concept: Coordination of Events During Compensation Reviews on page 1089
Concept: Best Practices for All Large-Scale Events
Tasks
Steps: Create a Compensation Matrix on page 1062
Steps: Prepare for Compensation Reviews on page 1064
Steps: Set Up the Compensation Review Business Process on page 1067
Reference
Reference: Compensation Review Participation Rule Set Options on page 1110
Reference: Event-Specific Best Practices
FAQ: Employee Visibility Date on page 1101
The Next Level: Annual Compensation Events
Examples
Example: Coordination of Organization Events in Compensation Reviews on page 1091

Steps: Create a Compensation Matrix

Prerequisites

Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can configure a compensation matrix to help you determine merit increases, bonus targets, or stock grants for employees during a compensation review. You can build a classic compensation matrix with:

- Rating scales.
- Potential rating.
- Compa ratio.
- Retention ratings.
- Pay range segments.

You can also configure a total value compensation matrix based on a custom conditional calculation that incorporates skills from the job profile, performance, or other worker attributes.

Examples:

- Give high-performing employees paid within the lower quartile of their grade range a larger bonus or pay increase.
- Plan relative increases, bonus awards, or stock grants in order to reward performance, encourage retention, or equalize pay within a grade.

During compensation reviews, managers can see a suggested range that uses performance, talent, and market data to determine the award.

Steps

1. Access the **Create Compensation Matrix** task.
2. Select the type of compensation matrix:

Option	Description
Classic Compensation Matrix	Configure a matrix based on rating scales, potential rating, compa ratio, retention ratings, and so on.
Total Value Compensation Matrix	Configure the matrix with a custom calculation that evaluates worker attributes. Example: • Terry doesn't have a review rating and Workday can't calculate a performance factor using a classic compensation matrix. • By using a total value compensation matrix with a custom calculation, you can default a 2 percent factor for workers like Terry that don't have a review rating.

3. As you complete this task, consider:

Option	Description
Amount	An amount matrix is for amount-based stock, bonus, or merit plans and consists of an exact amount for the minimum and maximum bonus amount, and a default currency. The exact amount can be positive or negative and up to 2 decimal places.

Option	Description
	Example:
	• Terry has an amount-based stock plan with a 10,000 target.
	• Terry has a performance rating of 3-Meets Expectations.
	• The compensation matrix has a Minimum of 8000, a Maximum of 12500, and the default currency is USD.
	• The recommended stock grant for Terry ranges from 8,000 to 12,500 USD.
Percent	A percent matrix can be used for percent-based stock, bonus, or merit plans and consists of the exact percent for the minimum and maximum values.
	Example:
	• Casey has a base salary of 100,000.
	• Casey has a performance rating of 3-Meets Expectations.
	• The compensation matrix has a Minimum of 2% and a Maximum of 3%.
	• The recommended merit increase for Casey is 2-3% based on a percent-based matrix with Review Rating = 3, Minimum = 2%, and Maximum = 3%.
Weighted	A weighted matrix can be used for amount- or percent-based bonus or merit plans. It can also be used for an amount-, percent-, or unit-based stock plan. Use a weighted matrix if you want the minimum and maximum target ranges based on a factor used to derive the targets for a plan based on a percentage amount.
	Example:
	• Haley, has a percent bonus plan with a 6% target.
	• Haley has a base pay of 100,000 and receives a performance rating of 3-Meets Expectations.
	• The weighted matrix has a Minimum of 50% and a Maximum of 75%.
	• The recommended bonus range is:
	• Minimum = 100,000 * 0.06 * 0.5 = 3,000.
	• Maximum = 100,000 *0.06 * 0.75 = 4,500.
Use Above and Below Segments	Available if you selected **Include Pay Range Segments**.
	Adds rows for **Below Segment 1** and **Above Top Segment** to the matrix.
	Enter the **Number of Pay Range Segments**.
Use Multiple Targets	Select this check box if you want the matrix to apply to specific employees that match 1 or more eligibility rules. Select 1 or more **Eligibility Rules** to identify the target population for the matrix.
Calculation	For a total value compensation matrix, select a custom calculation that determines a default factor.
	You can edit the calculation even when the compensation matrix is used in an in-progress event, provided the calculation produces a numeric value.

Option	Description
	See: ../../../payroll/earnings-deductions-and-other-calculations/payroll-calculations/calculations/uso1574201918193.dita
Default Currency	Select a default currency.
	Select **Apply Currency** to apply your choice for **Currency** to all eligibility rules displayed in the **Currency by Eligibility Rule** list.
	Apply Currency displays for amount-based matrixes with **Use Multiple Targets** selected.
Currency by Eligibility Rule	(Optional) Select the currency for each eligibility rule.
Compensation Matrix	Enter the **Minimum** and **Maximum** values for each row of the matrix.

You can also use the *Get Compensation Matrices* and *Put Compensation Matrices* web services.

4. (Optional) Access the **Maintain Compa Ratio Range** task.
   a) Enter the **Segment Top** to establish the maximum value for the compa ratio range.
   b) Create the compa ratio ranges you'll use for the compensation matrix.

   Examples: you can create rows for 25, 50, 75, 100 and 125 that results with ranges of:

   - Zero - 25% (zero - 25.000)
   - 25 - 50% (25.001 - 50.000)
   - 50 - 75% (50.001 - 75.000)
   - 75 - 100% (75.001 - 100.000)
   - 100 - 125% (100.001 - 125.000)
   - 125% and greater (125.001 +)

5. (Optional) Access the **Edit Compensation Matrix Rules** task.

   - Convert a single target matrix to a multitarget matrix and update the name.
   - Add or remove compensation eligibility rules for a multitarget matrix.

Result
You can now assign the compensation matrix to a merit, bonus, or stock plan.

When you process the plan, Workday uses the compensation matrix factors and associated plan targets to calculate the pool and provide managers with target ranges. You can also assign the matrix to a merit plan as reference only.

Related Information
Tasks
Review Promotions in Compensation Reviews on page 1127
Create Compensation Grades on page 905
Create Compensation Packages on page 958
Create Grid Configurations for Compensation on page 1080
Reference
Reference: Compensation Step and Grade Progression Reports on page 919
Total Value Compensation Matrix

Steps: Prepare for Compensation Reviews

Prerequisites

Set up merit, bonus, or stock plans.

Steps

1. Steps: Set Up the Compensation Review Business Process on page 1067.
2. Edit Domain Security Policies.

   To include stock in the process, grant access to these domains in the Advanced Compensation functional area:

   - *Worker Data: Propose Stock Award as Part of Compensation Review*.
   - *Worker Data: Stock Grants*.

   To print compensation review statements, configure these security domains in the Advanced Compensation functional area:

   - *Self-Service: Compensation Review Statements* domain, so employees can print their own statements.
   - *Worker Data: Compensation Review Statements* domain, so managers can print statements for their direct reports.

3. Enable domains (in the Advanced Compensation functional area) and assign roles:

Domain	Roles	Description
Process: Compensation Management Events	Compensation Administrator	Required to initiate and finalize a compensation review process.
Process: Compensation Review Process Participant	Planners: • Manager • Primary compensation planner	Plan compensation for an organization and view or plan subordinate supervisory organizations. Requires Modify access to plan awards.
Process: Compensation Review Process Controls	Manager	Required for access to **Complete on Behalf**.
Process: Compensation Review Process Controls and *Process: Compensation Review Process Participant*	Support roles: • HR Partner • Compensation Partner	View and edit employee awards as a planner. Can have either View or Modify access.
Process: Compensation Review Process Reviewer	Reviewers: • HR Partners • Location partners • Location or regional managers	View or edit the awards of their assigned employees. Can have either View or Modify access. The Business Process step *Review Employee Awards* uses any role-based security groups with Modify access on this domain in its configuration selection list.

4. (Optional) ../../../manage-workday/tenant-configuration/tenant-setup/dan1370797339945.dita.

Option	Description
Disable Create New Compensation Review Statement functionality for Employee on View Compensation Review Statements	Prevents employees from creating their own compensation review statement.

Option	Description
Preferred Compensation Review Employee Awards Grid Limit	Workday limits the number of employees in the same organization hierarchy displayed to a planner. You can enter a limit up to 500 or leave blank to use the default of 100.

5. Create and assign compensation plans.

6. (Optional) Configure how Workday manages merit changes for an employee:

   • To determine individual targets for percent-based plans and enter award amounts for each assigned plan, use total base pay. For this option, you don't have to create a compensation basis; Workday provides it for you.
   • To determine individual target amounts for percent-based plans, use the Primary Compensation Basis (PCB). Enter a total amount for the award. Workday allocates that amount to the individual plans that make up the PCB.

   See Steps: Manage Compensation Basis on page 1044.

7. Access the **Maintain Event Categories and Reasons** task.

   Create event categories and reasons for giving each award.

   Security: *Set Up: Staffing* domain in the Staffing functional area.

8. Access the **Maintain Currency Rate Types** task to create at least 1 rate type specifically for compensation review processes.

9. (Optional) Manage Compensation Review Participation Rule Sets on page 1076.

   Define rules that Workday uses to handle compensation-related events that occur during the compensation review process.

10. (Optional) Access the **Maintain Bonus Accrual Estimates** report.

    Use compensation review initiation criteria, including organizations, bonus plans, and date parameters to estimate bonus costs.

    a) Configure compensation review initiation options as you would for any periodic review with bonus awards.
    b) Select an action.

       You can calculate your estimate immediately or configure a run schedule. Workday then generates the bonus accrual report. You can also cancel (delete), edit, or review an estimate.
    c) Click an accrual report to view and download your estimated bonus costs.

    Security: *Process: Compensation Management Events* domain in the Advanced Compensation functional area.

11. (Optional) Steps: Create Custom Compensation Review Statements on page 1132.

    Create employee compensation review statements to meet reporting requirements.

    Workday recommends:

    • Use the Workday-delivered **Compensation Review Employee Adjustment for Statements** report data source.
    • If scheduling a PDF print run in advance, access the **Release Compensation Review Statement** task and schedule it for off hours. You can use custom layouts and manage when employees can view their compensation review statement.

12. Create Grid Configurations for Compensation on page 1080.

    Grid configurations can include read only, editable, or advanced fields for drilling down into details.

13. Steps: Configure Compensation Review Grid Profiles on page 1082

    Grid profiles enable you to use more than 1 grid configuration for each compensation review process.

14.(Optional) Create Stock Participation Rate Tables on page 1026.

Applies only to compensation review processes that include stock awards.

15.(Optional) Access the **Create Compensation Review Process Template** task.

Create templates to enable Workday to populate fields in compensation review processes. See Initiate Compensation Review Processes on page 1114 and Manage Compensation Review Pools on page 1123 Steps: Configure Compensation Review Grid Profiles on page 1082 for detailed field descriptions.

You can also manage compensation review templates using these web services:

• *Get Compensation Review Template*
• *Put Compensation Review Template*

Next Steps

Run these reports to review the date, time, responsible party, and notes for the last submitted change to awards:

• **Compensation Review Merit Award Audit**
• **Compensation Review Talent Audit**
• **Compensation Review Bonus Payment Audit**
• **Compensation Review Stock Plan Award Audit**

Related Information
Tasks
Review Promotions in Compensation Reviews on page 1127
Steps: Manage Compensation Review Statements on page 1134
Manage Funding for Bonuses on page 1128
Steps: Update Approved Stock Grants on page 1028

Steps: Set Up the Compensation Review Business Process

Prerequisites

Decide which roles, such as Planner or Manager, require control over submitting employee awards. Workday determines roles for the entire compensation review when you initiate the process and ignores any subsequent changes in role assignments.

Context

You can set up the *Initiate Compensation Review Process* business process for all award types, including bonus and stock awards, with or without merit awards.

You can set up an integration with a third-party stock administration application to manage vesting and other stock administration needs.

Note: Don't delete business process condition rules that you associate with either active or inactive compensation plans. Doing so might result in unexpected errors. You can't recover deleted condition rules.

Steps

1. Select **Business Process** > **Edit Definition** from the related actions menu of the *Initiate Compensation Review Process* business process.

2. As you complete this task, consider:

Option	Description
Complete Employee Awards	**a.** Add the Compensation Administrator role to oversee the compensation review process, monitor organization status, maintain pools, and review employee participation. **b.** Activate Pending Security Policy Changes. **c.** Select **Configure Participation**. Then select the **Organization Type to Use** and the **Group** (role), such as Manager or Planner. The organizations you configure on this step must also be configured on the **Create Compensation Review Options** task. Workday recommends not to configure a delay on the Shared Participation step in this business process. A delay may result in irreversible problems with My Task items, sending back, and so on.
Manage Impacted Employees	This must be the second step in the *Initiate Compensation Review Process*.
• *Configure Pool* • *Distribute Pool* • *Launch Employee Award*	These steps must remain in this order.
Manage Bonus Process Funding	(Optional) For compensation review processes with bonus awards. If included, make this the completion step.
Review Employee Awards	(Optional) This step must follow the *Complete Employee Awards* step. The organizations you configure on this step must also be configured on the **Create Compensation Review Options** task. You can grant role-based security groups outside of your specified organizational hierarchy access to approve awards using assignable roles for organizations on the *Process: Compensation Review Process Reviewer* domain.

Related Information
Tasks
Edit Business Processes
Create Custom Business Processes

Steps: Manage Custom Calculations for Compensation Reviews

Prerequisites

Security:

- *Set Up: Payroll (Calculations – Generic)* in the Core Payroll functional area.
- *Grid Management* domain in the System functional area.
- *Process: Compensation Management Events* domain in the Advanced Compensation functional area.

Context

You can use custom calculations to populate fields in compensation reviews.

During a compensation review, Workday uses the calculation table to populate fields on your grid.

Steps

1. Create 1 or more calculations in the *Compensation* category using tasks such as **Create Arithmetic Calculation** or **Create Lookup Calculation**.

   You'll use calculations created in the *Compensation* category when you build the calculation table.

   Note: Calculations can be very complex. Workday recommends that you engage Workday Professional Services or a Workday Consulting Partner to help you configure the calculations for Compensation.

2. Access the **Maintain Compensation Review Calculation Lists** task.

   Configure 1 or more calculation lists and up to 50 list values. When you configure a compensation review calculation table, you can select that list and associate it with calculations and grid configuration fields. You can modify list values while a compensation review is in progress.

   Example: Enter Performance Factor for the list name with values for: Top Performer, Meets Expectations, and Needs Improvement. When you configure the calculation table, you can select the Performance Factor list and associate a calculation to each value.

   Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

3. Access the **Create Compensation Review Calculation Table** task.

   A calculation table creates an association between the values on a custom calculation list, calculations, and update fields on your grid configuration.

   a) Select **Calculation Table Entries**, including 1 or more rows, each with an **Input** list value from a calculation list, a **Calculation**, and an **Update** grid configuration field.

      During the compensation review,

   b) Select the **Custom Calculation Lists** tab for merit, promotion, bonus, or stock.

4. Create Grid Configurations for Compensation on page 1080.

   Add custom calculation fields into the Merit or Bonus section of your grid configuration. Example: **Custom Calculation Merit Numeric** or **Custom Calculation Bonus Currency**. As a best practice, Workday recommends that also you add the update fields you used to create your calculation table.

   If you use a custom calculation bonus list, add **Custom Calculation Bonus List Value** to the Bonus section as an editable field.

5. Create Compensation Review Options on page 1083

   Select your **Compensation Review Calculation Table** or create a calculation table without leaving the task.

6. Initiate Compensation Review Processes on page 1114

   Select:

   - The grid configuration with 1 or more custom calculation fields.
   - The set of compensation review options that includes your **Compensation Review Calculation Table**.

Result

During the compensation review, Workday:

- Displays your grid with the custom calculation and other fields you configured. You can any update fields that you configured as editable when you set up the grid configuration.
- Recalculates the value of any **Update Field** based on changes to fields that it depends on.

Example

1. Create a calculation in the *Compensation* category on the **Create Arithmetic Calculation** task.

2. Create the Performance Factor calculation list on the **Maintain Compensation Review Calculation Lists** task with values for: Top Performer, Meets Expectations, and Needs Improvement.
3. On the **Create Compensation Review Calculation Table** task, you select the **Custom Calculation Lists** tab and on the **Custom Calculation Bonus List** prompt, select the Performance Factor calculation list.

   On the **Calculation Table Entries** tab, you select *Custom Calculation Bonus List Value* for the **Input** field, select a **Calculation**, and select *Bonus Factor %* for the **Update** field.
4. On the **Create Grid Configuration** task, add the **Bonus Factor %** as an editable field to the Bonus section.
5.
6. During the compensation review, you select a value from the **Custom Calculation Bonus List Value List** and enter a **Bonus Factor %** for each employee.

Related Information
Concepts
Concept: EIB Spreadsheet Data Entry Guidelines
Concept: Payroll Calculations
Tasks
Create Calculations
Reference
Reference: Numeric Calculations
2022R2 What's New Post: Compensation Review Calculation Lists for Bonuses

Create Eligible Earnings Overrides for Bonus and Stock

Prerequisites

Security: *Worker Data: Compensation Management by Organization* domain in the Advanced Compensation functional area.

Context

You can configure the actual earnings amount for an eligible earnings override, the period associated with the eligible earnings, and the qualifying bonus or stock plans.

Example: Rhonda worked over 40 hours of overtime from November 1 through December 31. You create the eligible earnings override for Rhonda with the exact eligible earnings amount. Workday then uses your override amount as the eligible earnings when calculating the bonus or stock awards.

You can only use eligible earnings overrides in compensation review processes that include bonus or stock awards.

You can also use these web services to manage eligible earnings overrides:

• *Import Eligible Earnings Override*.
• *Get Eligible Earnings Override*.

Steps

1. Access the **Create Eligible Earnings Override** task.
2. Select the **Employee**.

   If the specified employee has multiple jobs or positions, you can also select the **Position**.
3. Select the **Eligible Earnings Override Period** (date range) for which the employee's earnings are eligible for bonus or stock.

   If the period you require doesn't exist, select **Create Eligible Earnings Override Period** to create it.

4. Select any combination of bonus and stock plans.

Example: Select **Apply to All Bonus Plans** to have the compensation review process apply eligible earnings to all bonus plans assigned to the employee, including newly assigned plans. Then select 3 **Stock Plans** to restrict the application of eligible earnings for stock to only those 3 plans. The override now applies to all bonus plans and 3 specific stock plans assigned to the employee.

Selecting the **Bonus Plans** or **Stock Plans** option without selecting any specific plans is equivalent to selecting **None of the Above**.

If you assign new plans to the employee, consider accessing the **Edit Eligible Earnings Override** task to update your configuration.

5. Enter the exact amount of the employee's **Eligible Earnings Override** for the specified plans and period.

Note: Workday doesn't calculate the eligible earnings override. Enter the exact value that you want Workday to use as the basis for calculating awards.

6. Select the **Currency** of the eligible earnings amount.

Eligible earnings use the frequency associated with the plan.

Next Steps

Access these reports:

- **Eligible Earnings Override**.
- **Employees without Eligible Earnings Override**.
- **View Eligible Earnings Override Period**.

Related Information
Tasks
Manage Compensation Review Participation Rule Sets on page 1076
Reference
Reference: Compensation Review Participation Rule Set Options on page 1110
2023R1 What's New Post: Eligible Earnings Override for Stock

Create Eligibility Waiting Periods for Compensation Review Processes

Prerequisites

Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

Create or update a compensation eligibility waiting period on the **Create Eligibility Waiting Period** task, which determines whether employees are eligible for a raise or a bonus. You base the rule on a single value, such as a hire date. If you run the process before the waiting period expires, you can add employees in a waiting period an exception with a target of zero.

You can also use these web services:

- *Get Eligibility Waiting Period*
- *Put Eligibility Waiting Period*

Employees in the waiting period don't automatically receive an award when the waiting period is over. Run the process again after the waiting period ends to give awards to these employees.

Steps

1. Access the **Create Eligibility Waiting Period** task.

2. Enter the **Number** and select a **Unit** value for the rule logic.

Example: To configure a 1 year waiting period, select *12* and *Months*.

3. Select a **From Date** from which Workday starts counting.
4. If you selected **Date of Last Base Pay change**, you can select **Excluded Criteria** to exclude events that Workday won't consider as an increase.

   You can select:

   - Any number of staffing events to exclude.
   - Event categories and reasons regardless of segment security configuration.

   You can define types of excluded criteria on the **Maintain Event Categories and Reasons** task.

Example

When configuring the plan, you can select the **Include Active Employees in Waiting Period** option. If selected, Workday includes employees assigned to the plan and in the waiting period, as of the **Process Period End Date**, in the compensation review. However, Workday includes these employees as exceptions with a target of zero. Consider:

- Eligibility waiting period: *3 Months from Hire Date*.
- **Include Active Employees in Waiting Period**: selected.
- **Process Period End Date**: December 31.
- Two employees have different hire dates, September 23 and October 6.

Hire Date	Eligible for award on December 31?
September 25	Yes, September 23 to December 31 is more than 3 months. The waiting period ended on December 23.
October 6	No, October 6 to December 31 is less than 3 months. This employee is included in the process as an exception with a target of zero.

Next Steps

Assign the waiting period to merit and bonus plans. You can assign the same waiting period to multiple plans.

Related Information
Tasks
Steps: Set Up Bonus Plans on page 1003
Steps: Set Up Merit Plans on page 999

Create Time Proration Rules for Compensation Reviews

Prerequisites

Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can create proration rules to determine the portion of the merit or bonus target amount that employees receive in compensation review processes.

You can use proration rules on various criteria:

- Compensation basis. Example: base pay changes.
- Factors. Example: FTE or scorecard changes.
- Time. Example: time in plan or time since a specified date.

Workday processes proration rules associated with merit or bonus plans during the compensation review process period and evaluates anything not specifically prorated on the compensation snapshot date.

Exclusion criteria ignore the event that meets the rule, except in cases where other rules must evaluate the event.

Steps

1. Access the **Create Time Proration Rule** task.
2. (Optional) Select a **Leave of Absence Grace Period Table**.

    You can use grace period tables only in compensation reviews.

    You can also access the **Create Leave of Absence Grace Period Table** task.

    Each grace period table must have:

    - **Leave Type**
    - 1 or more **Location Hierarchies**
    - **Grace Period Days**
3. Select the **Proration Criteria** you want to use to calculate the individual target amount and contribution to the award pool.

    To exclude certain types of events, select **Excluded Criteria**. You can define types of **Excluded Criteria** in the **Maintain Event Categories and Reasons** task.

    For rules that define the process period start date, Workday uses the most conservative criteria. Example: If you use both *Time Since Hire* and *Time Since Continuous Service Date* in the same rule, Workday uses the most recent criteria to set the process period start date.

    For bonus plans with the compensation basis with eligible earnings override:

    - Prorates time and target percentage-based proration rules.
    - Doesn't prorate base pay changes.

    FTE Changes in Period only applies to compensation plans that have **Apply FTE%** selected. Workday evaluates other plans as of the compensation snapshot date. Combining **FTE Changes in Period** with **Base Pay Changes in Period** results in the most accurate application of the basis in the proration segments.

Rule Category	Rule	Description
Compensation Basis	**Base Pay Changes in Period**	Creates a segment for each of these business processes when they create a basis change during the process period: • *Request Compensation Change* • *Propose Compensation Change* as part of *Change Job*. This determines the basis to use, unless specifically excluded in the **Exclusion Criteria**. A base pay change might be caused by a change to FTE regardless of the use of the **FTE Changes in Period** rule.
Factor Change	**FTE Changes in Period**	Creates a segment for each of these business processes that change the FTE% during the process period: • *Request Compensation Change* • *Propose Compensation Change* as part of *Change Job*. • *Edit Position*.

Rule Category	Rule	Description
		For percent-based bonus plans, Workday applies the FTE% to the basis to determine the merit or bonus target. For amount-based bonus plans, Workday applies the FTE% to the target award amount the employee is eligible for. Example: You configure an amount-based bonus plan with an FTE time proration rule. Ben has an FTE change during the process period of the compensation review. Workday calculates proration segments based on Ben's FTE changes.
Factor Change	**Scorecard Profile Changes in Period**	Creates a segment for each of these business processes, without exclusion, and evaluates the scorecard result as of the segment end dates: • *Change Job* • *Change Organization Assignment* • *Move Workers (by Organization)* • *Move Workers (Supervisory)* Workday might prorate these scorecards: • Compensation matrix modifier. • Performance factor scorecard. • Performance factor scorecard modifier. • Plan modifier scorecard.
Factor Change	**Target Changes in Period**	Creates a segment for each each of these business processes when they change the employee target during the process period: • *Request Compensation Change* • *Propose Compensation Change* as part of *Change Job*. Workday applies the target to each segment.
Time	**Leave of Absence**	Subtracts any leave of absence taken from the process pay period. If you selected a **Leave of Absence Grace Period Table**, Workday subtracts the grace period from the total number of days on leave.
Time	**Time in Plan**	Excludes any period when the employee wasn't in the plan.
Time	**Time in Position**	Uses the date the employee was assigned to their position as of the beginning of the process period.
Time	**Time Since...**	Sets the beginning of the process period to 1 of these dates: • *Company Service Date*. • *Continuous Service Date*. • *Hire*. • *last Base Pay change*.

Rule Category	Rule	Description
		• *last Merit increase.*

Next Steps

Assign the time proration rule to merit or bonus plans. You can assign the same time proration rule to multiple plans.

Create Compensation Rounding Rules

Prerequisites

Security: *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can create rounding rules for compensation plans or a compensation basis.

You can add a rounding rule to salary plans, but only when you've selected the **Apply FTE%** option and the worker's FTE % isn't 100 percent. Using a rounding rule on salary plans eliminates any need to round salary plan values with an integration and maintains consistency between Compensation and Payroll. See: Steps: Set Up Salary Plans on page 980.

Workday rounds merit and bonus award amounts during compensation review processes according to the rounding rules on the plans, if configured. See: Steps: Set Up Merit Plans on page 999, Steps: Set Up Bonus Plans on page 1003, FAQ: Rounding and Precision in Compensation Review Calculations on page 1107 .

For stock awards, Workday reads the amount- or percent-based stock plans, if configured with rounding rules, and displays the amount or percent, but doesn't determine the final number of stock units in whole numbers until the grant is updated with a strike price. See: Steps: Manage Stock Plans and Grants on page 1021.

You can, however, configure compensation calculation tables that round stock awards by number, percent, or amount to whole numbers of stock units. Example:

• Create a calculation in the *Compensation* category that rounds values.
• Select the *Custom Calculation Stock Numeric* field for the **Input** column.
• On your grid configuration, add *Custom Calculation Stock Numeric* as an editable field to the Stock section.
• Workday rounds the stock award values you enter during the compensation review.

See: Steps: Manage Custom Calculations for Compensation Reviews on page 1068.

For compensation bases managed by a compensation basis total, Workday applies the rounding rule to the assignment amounts for all future compensation transactions. Steps: Manage Compensation Basis on page 1044.

Steps

1. Access the **Create Compensation Rounding Rule** task.
2. Select the **Rounding Option**:

Option	Description
Round	Examples: • 1.4 rounds down to 1.0. • 1.5 rounds up to 2.0.

Option	Description
Round down	Examples: Both 1.4 and 1.7 round down to 1.0.
Round half down	Examples: • Both 1.4 and 1.5 round down to 1.0. • 1.6 rounds up to 2.0.
Round up	Examples: Both 1.4 and 1.7 round up to 2.0.

3. Select 1:

Option	Description
Round to Currency Precision	Use the standard decimal precision for the currency.
Round to Nearest	Enter the number to which the rule resolves. Examples: • With *Round* selected, entering 1 for **Round to Nearest** rounds 7.20 and 7.80 to 8. • With *Round* selected, entering 10 rounds 7 to 10 and 14 to 20. • With *Round down* selected, entering 10 rounds 7 to 0 (zero) and 14 to 10.

4. (Optional) Add 1 or more **Compensation Rounding Rule Profiles**.

For each profile, select an eligibility rule.

Example: Some of your overseas offices have regulatory requirements to round pay to whole numbers. Workday provides tools to help you become compliant. You can configure 1 profile for each country that requires rounding to whole numbers, and select an eligibility rule based on locale. Workday rounds pay to whole numbers for those employees in those locales. Workday uses the default rounding rule for those employees in other locales.

Result

The effect of different rounding methods associated with compensation plans can have a cumulative effect on merit or bonus pool totals. Pool totals might differ from the sum of award amounts due to rounding of the individual amounts or the use of different rounding methods.

Next Steps

Access the **View Compensation Rounding Rule** report and select the related action off a rule to see an example.

Related Information
Reference

Manage Compensation Review Participation Rule Sets

Prerequisites

Security *Set Up: Merit and Bonus* domain in the Advanced Compensation functional area.

Context

You can create participation rule sets that determine how Workday coordinates events that might conflict with each other. Potentially conflicting events include organization changes, terminations, eligible earnings

overrides, and parallel events that occur during a compensation review and result from these business processes:

- *Change Job.*
- *Change Organization Assignments.*
- *Propose Compensation Change.*

  When configuring the parent process, *Propose Compensation Change* must either come before the completion step or be the completion step.
- *Move Workers.*
- *Request and Return from Leave of Absence.*
- *Request Compensation Change.*
- *Request Grade Change.*

You can also use these web services:

- *Get Compensation Review Participation Rule Sets.*
- *Put Compensation Review Participation Rule Sets.*

Steps

1. Access the **Maintain Compensation Review Participation Rule Sets** report.
2. (Optional) Select an action on any existing participation rule set.
3. Select **Create Participation Rule Set**.

   Select the type of rule set to create:

Option	Description
Organization Assignment	Organization assignments include those effective before the **Organization Snapshot Date** you configure when initiating the compensation review.
Compensation Parallel Event	Parallel events include those effective: • On or before the merit, bonus, or stock **Compensation Snapshot Date**. • Between the **Compensation Snapshot Date** and the **Effective Date**. • After the **Effective Date**. Configure each of these date range tabs: • **On or Before Compensation Snapshot Date** • **Between Compensation Snapshot Date and Effective Date** • **After Effective Date**
Termination	Terminations effective before the **Effective Date**.

4. As you configure a participation rule set, consider:

Option	Description
Employee Options	Select what Workday does with an employee and their compensation data: • Updates employee compensation basis, prorated targets, title, and other attributes. • Keeps the employee in the compensation review process.

Option	Description
	• Removes the employee from the compensation review process.
Pools Options	Select what Workday does with an employee's pool contribution: • Keeps the employee's pool contribution static or adjusts the organization pool. • Updates the pools with the recalculated plan, target, compensation basis, and proration data. • Removes the employee's pool contribution from the organization. **Note:** Workday stores pool contributions at the individual employee level and calculates pools once at process initiation to determine pools at the organization level.
Award Options	Select what Workday does with an employee's award: • Keeps it fixed but updates the compensation basis, target, title, and other attributes. • Sets award to zero. • Reverts the award to a previously entered amount or percent, or updates to a new target, spend, and pool.

5. (Optional) In the **Rule Profiles** section, create 1 or more rule set profiles that apply to specific populations of employees based on eligibility rules.

Result

You can select rule sets when configuring compensation review options. When managing impacted employees in a compensation review process, you can cancel conflicting events or notify the initiators of the source processes.

Next Steps

You can access the **Create Compensation Review Options** task and configure participation options.

Related Information
Concepts
Concept: Coordination of Events During Compensation Reviews on page 1089
Tasks
Steps: Manage Multiple Events During Compensation Reviews on page 1119
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Create Eligibility Rules for Compensation on page 902
Create Compensation Review Options on page 1083
Reference
Reference: Terminations During Compensation Review Processes on page 1113
Reference: Compensation Review Participation Rule Set Options on page 1110
The Next Level: Compensation Coordination of Events
Troubleshooting: Compensation Review Participation Rule Sets on page 1109
Examples
Example: Coordination of Organization Events in Compensation Reviews on page 1091

Steps: Manage Custom Modifiers for Compensation Reviews

Prerequisites

Security: *Worker Data: Compensation Management by Organization* domain in the Advanced Compensation functional area.

Context

You can configure custom modifiers to calculate bonus proration segments for specified employees. Examples:

- Set a proration segment to zero.
- Prorate a segment up to or greater than 100 percent.
- Prorate employee awards with multiple performance ratings.
- Prorate awards using more strategic modifiers that scorecards don't address.

Steps

1. Access the **Maintain Compensation Review Custom Modifiers** task.

   Enter 1 or more custom modifier names. Workday generates the **Reference ID** for use with the Enterprise Interface Builder on these web services:

   - *Get Employee Proration Segment Details*
   - *Import Employee Proration Segment Details*

2. Create Compensation Review Options on page 1083.

   In the **Custom Modifier** section on the **Participation Rules** tab, select what Workday does with the planned bonus award when a custom modifier is altered for an employee during the *Complete Employee Awards* or *Review Employee Awards* steps of a compensation review process:

3. Access the **Maintain Compensation Review Custom Modifiers for Employee** task.

   Apply custom modifiers to the employee's proration segments as determined by your selected compensation review process and bonus plans.

   For each **Custom Modifier** you configure for an employee's proration segment, enter a **Custom Modifier Percent**.

   Example: You apply 2 custom modifiers to Terry's second proration segment:

Option	Description
Company Adjustment	88
Position Performance Factor	110

   The **Maintain Compensation Review Custom Modifiers for Employee** task only works during these steps of an in-progress compensation review process:

   - *Configure Pools*
   - *Complete Employee Awards*
   - *Review Employee Awards*

Next Steps

Access the **View Bonus Calculation** report to display any custom modifiers used to calculate the bonus.

Related Information
Tasks
Steps: Create a Compensation Matrix on page 1062
Create Compensation Review Options on page 1083

Reference

Create Grid Configurations for Compensation

Prerequisites
Security: *Grid Management* domain in the System functional area.

Context

You can configure the grids and their editable, read-only, and advanced fields that display during compensation review processes. Each compensation review process can utilize 1 or more grid configuration. To use more than 1, however, you must:

- Set up grid configuration profiles. See:Steps: Configure Compensation Review Grid Profiles on page 1082.
- Set up 1 default response grid that encompass all award types in the compensation review process, If a manager or planner isn't eligible of any of your grid profiles, they'll see the default response grid.

You can optionally configure **Data Entry Check Options** (DEC) on the **Edit Tenant Setup - HCM** task. Workday delivers the feature on by default. However, you can click **Select areas to switch on Data Entry Check** and configure which compensation review fields to enable for DEC. Doing so enables Workday to validate the numeric data you enter for compensation reviews. If the numeric value you enter is outside historical amounts, Workday displays a validation message. Outliers are determined based on historical entries. See: ../../../manage-workday/tenant-configuration/tenant-setup/dan1370797339945.dita

A grid configuration consists of:

Grid Section	Description	Result in Completed Grid Configuration
Composite Column	Contains up to 4 business objects and related fields. Example: Employee name, titles, and photo.	Displays as the first column.
Individual Columns	Contains up to 4 fields for Compensation Review grids. Other grid types contain up to 2 fields.	Displays immediately to the right of the Composite Column.
Column Groups	Contains 1 or more fields. Examples: Merit, Promotion, Performance, Bonus, Stock.	Becomes a tab that, when opened, displays all of the fields configured for the **Column Group**.
Smart Panel / Summary View	(Optional) You can include fields selected as the **Individual Column** or as part of any **Column Group** in the **Smart Panel** and **Summary View**.	The **Smart Panel** displays at the end of each row. The **Summary View** becomes the first tab of the completed grid configuration.

When configuring a grid, you can select read only, editable, or advanced (drill-down) fields. You can then audit your grid to ensure that there are no missing fields based on the selected merit, bonus, or stock plans.

Steps

1. Access the **Create Grid Configuration** task.

2. Select:

Option	Description
Create Blank Configurable Grid	Select *Compensation Review Process* from **What type of grid do you want to create?**
Copy Details from Existing Configurable Grid	Select an existing grid of the type *Compensation Review Process*. Workday doesn't copy custom calculated fields. You must create them manually.

3. In the **Composite Column** section:

- To define the column name in the completed grid configuration, enter a **Label**. Example: Employee Details.
- Select a **Business Object** and a related **Field** for **Title**, **First Subtitle**, **Second Subtitle**, or **Image**.

  The **Composite Column** displays at the far left of the completed grid configuration.

4. Configure the **Individual Columns** and **Grouped Columns** sections. Consider:

Option	Description
Read Only	Displays a read-only business object and 1 of its related fields on the grid.
Editable	Not available for the **Individual Columns**.
Advanced	Displays a link that users can drill down on to view detailed data. For bonus awards, you can add an Advanced column type and select either the **Actual Bonus Amount** or **Rounded Total Bonus Target Amount**. On the completed grid configuration, you can drill down on these fields to reveal bonus calculation details.

  Example: Select **Bonus** for the **Column Group** and add **Deferred Bonus Amount**, **Deferred Bonus Percent**, or both as editable columns. You can also use these fields with the *Get Employee Awards* and *Import Employee Awards* web services.

5. (Optional) If you selected **Read Only**, enter a **Label Override** and, for numeric columns, a **Format**.

6. (Optional) Add 1 or more custom calculation fields. Example: **Custom Calculation Merit Numeric**, **Custom Calculation Stock Numeric**, or **Custom Calculation Bonus Currency**.

  Custom calculation fields work only with a calculation table. When you update a custom calculation field during a compensation review, Workday reads the calculation table and populates the values of its update fields. Workday recommends that you include all the update fields that make up your calculation table.

7. (Optional) If you selected **Advanced**, select the **Errors** field.

  This field is only available if you set up custom Critical or Warning validations using the **Maintain Compensation Review Validations** report. You set up compensation review validations the same way as other custom validations.

  During the compensation review process, managers must resolve critical exceptions before submitting their work. Example: You can set up a critical exception that prevents a manager from granting both merit and lump sum awards to the same employee.

  These fields are for use in Workday Financials and are incompatible with compensation reviews:

- **Critical Validation Exists**
- **Validation Errors and Warnings**
- **Warning Validation Exists**

8. (Optional) Under **Display Options**, select 1 or more of the **Valid Options** to determine how data displays on the **Smart Panel** and the **Summary View**. The options available depend on the column type and field you've selected.

   Example: Selecting **Show In Panel** displays the field in the **Smart Panel** on the completed grid configuration. You can also add it to the **Summary View**.

9. To verify that the grid includes fields that the merit, bonus, or stock plans indicate should display as read only or editable, run the **Grid Configuration Audit** report.

   a) Select a **Grid Configuration**.

   b) Select 1 or more merit, bonus, or stock plans for the process.

      The audit compares the grid to the selected plans:

      • Blocker: Identifies fields that you must add because they're editable on the plan.
      • Warning: Identifies fields the plan indicates should display as read only but are missing from the grid. Consider adding these fields.

Next Steps

Initiate a compensation review process.

Related Information
Concepts
Concept: Zero Increase Fields in Compensation Reviews on page 1090
Tasks
Initiate Compensation Review Processes on page 1114
Manage Awards for Compensation Reviews on page 1126
Manage Compensation Review Pools on page 1123
Configure Custom Validation Messages
Review Promotions in Compensation Reviews on page 1127
Steps: Manage Custom Calculations for Compensation Reviews on page 1068
Create Compensation Review Options on page 1083

Steps: Configure Compensation Review Grid Profiles

Prerequisites

Context

You can create compensation review grid profiles that enable you to use multiple grid configurations for the same compensation review process. You can target each grid configuration for a specific audience, based on locale, organization, assigned roles, or other attributes. Compensation review participants see only a grid that makes sense for them, given their attributes.

To use multiple grid configurations for the same compensation review process, you must set up:

• More grid configurations, 1 for each target audience and 1 to use as a default.
• Grid profiles, which are conditional calculations that associate conditions with specific grid configurations.
• Select a grid profile on the compensation review template or when initiating a the compensation review process.

Grid profiles consist of 1 or more conditional calculations. Each conditional calculation specifies a target population, and must be associated with specific grid configuration. When you set up the compensation review, you select a grid profile configuration instead of a grid configuration to use multiple grids in the process.

Workday recommends as a best practice that you plan both your grid configurations and your grid profiles in advance of your compensation reviews:

- Plan a set of grid configurations and a matching set of conditional calculations, 1 for each target a population of your compensation review participants. When a participant enters the compensation review process, their attributes determine what grid configuration displays. Each grid configurations must match at least 1 of the conditional calculations you use for your grid profiles.
- Plan 1 default response grid configuration that encompass all award types present in the compensation review process. Workday displays the default response grid for participants not eligible for any of grid profiles.

Steps

1. Create your profile and default response grid profile configurations.

   See Create Grid Configurations for Compensation on page 1080.
2. Access the **Create Conditional Calculation** task.

   As you complete this task, consider:

Option	Description
Condition	Select from the Compensation category. Each must correspond to a target population of compensation review participants.
Result	Select a grid configuration to associate with each **Condition**. You can use the same grid configuration for multiple conditions.
Default Response	Select your default response grid configuration to display in case a participant doesn't meet any of the grid profile conditions.

   Security: *Set Up: Payroll (Calculations – Generic)* in the Core Payroll functional area.
3. (Optional) Access the **Create Compensation Review Template** task.

   Select a **Grid Profile Configuration**.
4. Initiate Compensation Review Processes on page 1114.

   Select either a:

   - **Compensation Review Process Template** that already has a grid profile configuration.
   - **Grid Profile Configuration** directly.

Result

Your compensation review displays different grid configurations for different populations of participants. Any participants not eligible for a grid profile see the default response grid.

Related Information
Reference
Grid Configuration Profiles for Compensation Review

Create Compensation Review Options

Prerequisites

- Configure rule sets on the **Maintain Compensation Review Participation Rule Sets** report.
- Security in the Advanced Compensation functional area:

  - *Process: Compensation Management Events* domain.
  - *Process: Compensation Review Process Reviewer* domain.

Context

You can create sets of parameters for options used when initiating compensation review processes.

Steps

1. Access the **Create Compensation Review Options** task.
2. As you complete the **Process Options** tab, consider:

Option	Description
Organization Details	Configure the organizations you include on the *Complete Employee Awards* and *Review Employee Awards* steps of the business process.
	Select an active **Top Level Organization** that doesn't have any superior organizations. When you select a top level organization, Workday includes employees assigned to plans targeted for the process and all those in the selected organization and its child organizations.
	(Optional) Select 1 or more **Process Top Level Organization** from the active child organizations within the structure of the **Top Level Organization**. Doing so restricts the employees and participants in the process to the subordinates under these organizations.
Approvals and Visibility	When you select:
	• *Entire Hierarchy*: The top-level planner/participant must approve all organizations.
	• *Next Participant Only*: Workday limits the approval to 1 planning level above and limits the planner's ability to edit to 1 level below.
Compounding Options	When you select **Additional Adjustment and Promotion Awards as Percent of Current Compensation Basis**, Workday adds awards to the current compensation basis instead of compounding the award.
	Example: Brendt's current compensation basis is 100,000. He receives a 10% merit increase, a 2% additional adjustment, and another 2% for his promotion. Workday sums all of Brendt's awards (0.10 + 0.02 + 0.02 = 0.14) and calculates his new current compensation basis: 100,000 + (100,000 x 0.14) = 114,000.
Autofill / Pre-Fill Value	When you select 1 of these options for **Merit Awards** and **Bonus Awards**:
	• *Compensation Matrix*: Workday populates awards to the midpoint of the matrix.
	• *Target*: Workday populates awards with the funded, prorated target associated with the plans.
	This applies if you:
	• Set up the merit or bonus plans to use a compensation matrix.
	• Selected to autofill or prefill values for the award type when you initiated the process.
Compensation Review Calculation	You can select an existing compensation review calculation table or create one here.

3. As you complete the **Planning Preferences** tab, consider:

Option	Description
Planner / Reviewer Preferences	Configure defaults for: • **Edit in Currency:** Display either the pay range or reference currency in editable currency amount fields. This setting has no effect on read only, advanced, or calculated fields. Regardless of setting, Workday pays awards in the employee's pay range currency. Workday pays stock plans configured with **Use Target Currency for Grant** selected in the target currency. • **Organization Budgets**: Display either all or your current organizations budget graphics during the process. • **Exposure to Planners/Reviewers**: When you select this check box, planners and reviewers can override the default from their My Tasks items and throughout the compensation review.
Search Reports	Workday enables access to the grid from these reports: • **Compensation Review Process Search Employees (Default)**: Enables access to the grid configuration for security groups on the *Process: Compensation Review Process Reviewer* domain. • **Compensation Review Organization Search Report (Default)**: Enables participants to search employees at the organizational hierarchy level from the My Tasks item. You can also access the compensation review grid from custom reports.
Pool and Spend	When you hide any award type, Workday allows pool overages and enables read-only access for all award types when you configure pools.

4. As you complete the **Participation Rules** tab, consider:

Option	Description
Date Range	Select 1 or more date ranges for the process, if applicable. Workday: • Allows events to proceed for the date ranges you select. • Blocks events for date ranges you don't select. Workday doesn't apply date ranges to **Move Workers** or **Change Organization Assignments**. Workday always enables all date ranges for **Request and Return from Leave of Absence** by default.
Allow All	Select to allow all events to proceed for the selected business process. Workday always enables this option for **Request and Return from Leave of Absence** by default.
Allow Only	Select 1 or more eligibility rules where you want Workday to allow parallel events to proceed. Workday uses the employee's compensation data as of the compensation snapshot date to determine eligibility.

Option	Description
• **Organization Assignments and Reorganizations** • **Compensation Parallel Events** • **Terminations**	Select a participation rule set for each award type. Rule sets include employee, pool, and award options that control how Workday manages conflicting transactions.
Leave of Absence	Each award type that you select remains on hold during the compensation review process until you release the leave of absence event on the **Manage Compensation Review On Hold Events** task. When you release, the effective date configured on the award type determines when awards take effect.
Eligible Earnings Overrides	Select what Workday does with the planned bonus awards when you make changes to the eligible earnings override during a compensation review process: • *Previously Entered Percent*: Workday updates the award to the previous percent. • *Update Pool Contributions*: Workday updates the employee contribution to the pool with the Eligible Earnings Override compensation basis.
Custom Modifier	Select what Workday does with the planned bonus awards when you make changes to the custom modifier during a compensation review process: • *Clear Award*: Workday sets proposals or awards to zero, overriding any prior proposals or awards. • *Keep Award Fixed*: Workday keeps the award fixed. • *Update Award to Previously Entered Percent*: Workday updates the award to the previous percent. • *Update Award to Previously Entered Factor*: Workday updates the award to the previous factor for bonus plans with an individual performance factor. • *Update Award to New Employee Target*: Workday updates the employee target, the spend, and the pool.

Result

Workday doesn't block parallel events already in progress before you initiate the compensation review process. Workday uses your configured participation rule sets to manage employee, pool, and award options. If you don't allow parallel events to proceed, Workday notifies and prevents the initiator of the business process from completing the parallel event.

Related Information
Tasks
Steps: Manage Custom Calculations for Compensation Reviews on page 1068
Steps: Prepare for Compensation Reviews on page 1064
Manage Compensation Review Participation Rule Sets on page 1076
Steps: Manage Custom Modifiers for Compensation Reviews on page 1079
Reference
FAQ: Employee Visibility Date on page 1101
Reference: Compensation Review Participation Rule Set Options on page 1110

Access Compensation Review Grids from Custom Reports

Prerequisites

Create compensation review option sets.

Context

You can create custom reports from which planners and reviewers can access the compensation review grid.

Steps

Access the **Create Custom Report** task.

As you complete this task, consider:

Option	Description
Data Source	Select *Compensation Review Process Employee Adjustments - Indexed*.
Data Source Filter	If you select **Securing Filter for Participant**, Workday uses the report parameters for search criteria when: • The number of employees exceeds the **Preferred Compensation Review Employee Awards Grid Limit** configured on the **Edit Tenant Setup - HCM** task. • When you select **Search Employees** from the **Organization Summary**. If you select **Securing Filter for Reviewer**, use the **Hide Workday Delivered Report** task to hide the **Compensation Review Search Employees (Default)** report. **Note:** When you hide standard reports, Workday doesn't display them in searches. You can also use the **Hide Workday Delivered Report** task to find hidden reports.
Report Definition > Sharing Options	Select **Share with all authorized users**.
Action > View Options	Select **Exclude Execution Link from Search** for any reports using the **Securing Filter for Participant** option to prevent running these reports outside the context of the **Organization Summary**.
Action > Advanced	Select **Compensation Review Organization Summary Mass Action** to populate the report from the **Organization Summary** for participants. Select **Compensation Review Process Search Employees Results Mass Action** for reviewers.

Related Information
Concepts
Concept: Custom Reports
Tasks
Create Custom Reports

Understand Compensation Reviews

Concept: Compensation Reviews

Compensation reviews configured with approval limited to the entire hierarchy are a collaboration between process participants. Planners can complete the process for a subordinate organization on behalf of its participant. Planners can also send the process back for correction.

The Compensation Administrator or HR Partner can also review organizations and awards as a planner. The My Tasks notification completes only after all organizations submit up to the Compensation Planner level and the Planner submits.

You can configure compensation reviews to use cost centers, custom organizations, location hierarchies, and supervisory organizations.

Note: Cost centers aren't hierarchical organizations except when grouped as a cost center hierarchy. When configuring the participation on the business process, there's 1 role that is the participant for both the organization and the organization hierarchy. The same role must exist on both organization and organization hierarchy.

Workday stores pool contributions at the individual employee level and calculates pools once at process initiation to determine pools at the organization level. Workday stores remainder amounts or adjustments at the organization level. Example: An organization has a 10,000 pool divided among 3 employees with each receiving 3,333.33. Workday stores the remaining 0.01 at the organization level.

Workday then updates values if employee contributions change due to parallel events. The employee-level contribution isn't reportable for employees removed from the process.

When you distribute or maintain pools, you can change pool amounts and apply holdbacks at any organization level.

If the grid configuration has editable targets, you can create budget pools that:

- Deduct the spend from the merit pool.
- Configure a separate pool based on the merit target of each employee or any configured amount.

Workday records changes to employee targets as overrides on the latest of these effective dates:

- Merit
- Additional adjustment
- Promotion

As you manage impacted employees, you can:

- Apply the original contribution.
- Apply the new contribution.
- Replace the original contribution for the employees that you've manually removed from the process.

Logan accesses the **Create Compensation Review Options** task and:

- Configures the **Autofill / Pre-Fill Value** section. Both **Merit Awards** and **Bonus Awards** use the compensation matrix to populate awards to the midpoint of the matching compensation matrix row.
- Leaves the **Approval Limited To** prompt set to *Entire Hierarchy*.

Naomi manages 15 people directly and reports to Drake, who manages 2 managers and 1 direct report. Drake reports to Don, the Vice President of Manufacturing. Don has 4 subordinates.

Logan is the Compensation Administrator and HR Partner. Logan also has the Controller role with the ability to finalize the process and remove planning from the initial participants.

After Logan initiates the compensation review process, Naomi sees a notification to complete the process. She accesses the process and sees the direct reports listed in the grid configuration selected for the

process. After reviewing the plans, she decides to click **Autofill**, enabling Workday to populate the award amounts. She reviews the amounts for each of her reports and submits.

Concurrently, Drake opens his notification, which displays his 2 organizations and direct report. Drake reviews the plan and spend for his entire organizational hierarchy, looking into Naomi's and Julie's organizations. He remembers that Julie is traveling, so he clicks **Complete on Behalf** and clicks **Autofill** to populate the awards for her people. While reviewing Naomi's group, he decides it needs work and clicks **Send Back** for Naomi to reconsider.

Finally, Don reviews the entire process and makes a few adjustments. He reviews the bonus award for some of Naomi's employees, and drills into how Workday calculated the bonus. He clicks Jeremy's rounded bonus target to display the bonus plan modifier and rounding rule applied. Drilling down further, Don sees the discretionary targets, performance factor, and applicable scorecards. Drilling down again, Don sees that Jeremy's prorated numbers because he went from full-time to half-time over the past year. Workday displays the sum of the 2 proration segments, including the eligible earnings, and the target amount. After his subordinates have submitted and Don has corrected some awards, Don's satisfied that everything is in order and submits.

With all subordinate organizations reporting into Don have now submitted, Logan finalizes the process. Workday removes the notification for any outstanding planners who haven't submitted. After the business process completion step, Logan ensures that Workday created all of the compensation worker events accordingly.

Related Information
Tasks
Manage Compensation Review Participation Rule Sets on page 1076
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Steps: Prepare for Compensation Reviews on page 1064
Reference
FAQ: Employee Visibility Date on page 1101
The Next Level: Compensation Review Overview

Concept: Coordination of Events During Compensation Reviews

If you initiate compensation or staffing events while a compensation review process is in-progress, any changes you make to compensation attributes might conflict. Because such changes to compensation might affect target or pool calculations, you must configure how Workday manages these conflicts.

If the compensation review is in progress, Workday prevents the initiator of the business process from completing the parallel event. However, Workday allows business process events to proceed if they're in progress before you initiate the compensation review.

For those parallel events in progress before the compensation review, Workday uses participation rule sets to manage conflicting events. You create participation rule sets on the **Maintain Compensation Review Participation Rule Sets** report. Each participation rule set:

- Applies to a process type: organization assignments, parallel events, or terminations.
- Consists of options that determine what Workday does with employees, their pool contributions, and their awards.
- Can include profiles, each associated with eligibility rules.

When you configure the compensation review process, you can assign participation rule sets to determine how Workday will reconcile the conflicting transactions. Workday displays employees with competing events on the *Manage Impacted Employees* step of the process. These events occur after the **Compensation Snapshot Date** and before the **Effective Date**.

Examples:

- If a reorganization occurs during the process, configure a participation rule set that moves the employee awards to the new organization if it's in the process.

- If there's a compensation change outside of the compensation review process, you can remove the employee merit award and their contribution from the merit pool.

There's a way to allow certain business process events to proceed even if initiated while a compensation review is already in progress. You can use the **Create Compensation Review Options** task to allow business process events to proceed while a compensation review is in progress: You can:

- Allow all events for the process to proceed for 1 or more date ranges.
- Allow only events for the process to proceed for 1 or more eligibility rules and for 1 or more date ranges.

For employees placed on hold, you can access the **Manage Compensation Review On Hold Events** task. You can release on-hold leave of absence events, cancel on-hold awards, or cancel events. When you release a leave of absence (LOA) event, the effective date configured for the award type determines when awards take effect. Workday doesn't release awards automatically when the employee returns from leave. You can only release on hold events if the employee doesn't have any other in-progress parallel events.

Compensation reviews can only process certain reorganization actions before the organization snapshot date, provided you configure participation rule sets.

Organization Changes	Description
Assign superior organization.	The superior organization must be in the compensation review before the organization snapshot date.
- Create subordinate organization. - Divide organization. - Activate organization.	When employees in a compensation review move to the new organization, either manually or by participation rule sets, the new organization displays in the hierarchy or My Tasks item.
Inactivate organization.	Compensation reviews can't act on inactivated organizations. Reactivate the organization.

Related Information
Tasks

Reference
The Next Level: Compensation Coordination of Events

Concept: Zero Increase Fields in Compensation Reviews

If an employee is eligible for an award, but receives no recommendation (zero), Workday cancels the event by default. Workday only displays the event to users with security access to see cancelled events and doesn't include cancelled events on the Compensation Review Statement.

To override the default behavior, add 1 or more of these fields, set to Editable, to your grid configuration:

- **Merit Zero Increase**
- **Bonus Zero Increase**
- **Stock Zero Increase**

The planner can then select Yes for these fields during the compensation review. The default is No. When a worker is eligible for an award but receives a zero recommendation, selecting Yes for these fields results in:

- A successfully completed event displaying an award amount of 0 (zero).
- A Compensation Review Statement displaying an award amount of 0 (zero).

Workday recommends using these validations if you use 1 or more of the zero increase fields on your grid configuration:

- If the recommendation is 0 and the zero increase field is No, ask the planner to either enter a recommendation or change the zero increase field to Yes.
- If the recommendation isn't 0 and the zero increase field is Yes, ask the planner to either enter a recommendation of 0 or change the zero increase field to No.

Related Information
Tasks
Create Grid Configurations for Compensation on page 1080

Example: Coordination of Organization Events in Compensation Reviews

Organization events that occur while a compensation review is in progress can have an effect on how Workday calculates awards.

Context

Global Modern Services is preparing their 2014 performance period, using this schedule:

01/01/2013 to 12/31/2013	12/31/2013	01/05/2014	02/05/2014	02/10/2014	02/17/2014	03/01/2014
Eligibility Period (Process Period)	• Process Period End Date • Bonus Compensation Snapshot Date • Stock Compensation Snapshot Date	• Process Launched • Organization Snapshot Date	Process Complete	Effective Date of Stock	Effective Date of Bonus	• Merit Compensation Snapshot Date • Effective Date of Merit

The compensation review process involves these compensation plans and organizations:

- Merit Plans A and B
- Bonus Plans D and E
- Stock Plan F
- Organizations X and Y

Betty Liu, Jared Ellis, and Leslie Silko are eligible for merit, bonus, and stock awards in 2014. Parallel compensation or staffing events at the initiation of the process don't affect them.

Result
Betty Liu

Betty Liu has these compensation plans:

- Merit Plan A from 01/01/2013 to 12/31/2013.
- Merit Plan B from 01/01/2014 to 12/31/2014.
- Bonus Plan D from 01/01/2013 to 01/10/2014.
- Bonus Plan E from 01/11/2013 onward.
- Stock Plan F from 01/01/2013 onward.

Betty was a member of Organization X from 01/01/2013 to 01/03/2014. She was a member of Organization Y from 01/04/2014 onward.

Eligibility Period (Process Period)	01/01/2013 to 12/31/2013	Betty is eligible for the process and the merit, bonus, and stock awards because of her plan assignments during the eligibility period.
• Process Period End Date • Bonus Compensation Snapshot Date • Stock Compensation Snapshot Date	12/31/2013	Workday determines Betty's compensation for bonus and stock on this date. Workday calculates the pools as part of Organization Y. Bonus target for Bonus Plan D = 10% * 100% of year. Stock target for Stock Plan F = 2%.
Organization Snapshot Date	01/05/2014	Betty is considered part of Organization Y for the process.
Effective Date of Stock	02/10/2014	
Effective Date of Bonus	02/17/2014	
• Effective Date of Merit • Merit Compensation Snapshot Date	03/01/2014	Merit target for Merit Plan B = 6%.

Jared Ellis

Jared Ellis has these compensation plans:

- Merit Plan A from 01/01/2013 to 12/31/2013.
- Merit Plan B from 01/01/2014 to 12/31/2014.
- Bonus Plan D from 01/01/2013 to 12/10/2013.
- Bonus Plan E from 12/11/2013 onward.
- Stock Plan F from 01/01/2013 onward.

Jared was a member of Organization X from 01/01/2013 to 02/14/2014. He was a member of Organization Y from 02/15/2014 onward.

Eligibility Period (Process Period)	01/01/2013 to 12/31/2013	Jared is eligible for the process and the merit, bonus, and stock awards because he has the eligible plans during the eligibility period.
• Process Period End Date • Bonus Compensation Snapshot Date • Stock Compensation Snapshot Date	12/31/2013	Workday determines Jared's compensation for Bonus and Stock on this date for the process. Bonus target for Bonus Plan D = 10% * 96.98% of year. Bonus Plan E = 15% * 3.02% for the remainder of the year. Bonus total = 10.151%. Stock target for Stock Plan F = 2%.
Effective Date of Bonus	12/31/2013	
Effective Date of Stock	12/31/2013	
Organization Snapshot Date	01/05/2014	Jared is considered part of Organization X for the process. Workday calculates all pools as part of Organization X.
• Effective Date of Merit	03/01/2014	Merit target for Merit Plan B = 6%.

• Merit Compensation Snapshot Date		

Leslie Silko

Leslie Silko has these compensation plans:

- Merit Plan Q from 02/15/2014 to 12/31/2014.
- Merit Plan A after 03/04/2014, after Effective Date of Merit.
- Bonus Plan D from 01/01/2013 to 01/10/2014.
- Bonus Plan E from 01/11/2014 onward.
- Stock Plan F.

Leslie was a member of Organization X from 01/01/2013 onward.

Process Period (Performance Period)	01/01/2013 to 12/31/2013	Leslie is eligible for the process but only for the bonus, and stock awards because she has the eligible plans during the eligibility period. However, she doesn't have a merit plan assigned at the launch of the process because Merit Plan A's assignment occurred only after process launch.
• Process Period End Date • Bonus Compensation Snapshot Date • Stock Compensation Snapshot Date	12/31/2013	Workday determines Leslie's compensation for Bonus and Stock on this date. Bonus target for Bonus Plan D = 10% * 100% of year. Stock target for Stock Plan F = 2%.
Effective Date of Bonus	12/31/2013	
Effective Date of Stock	12/31/2013	
Organization Snapshot Date	01/05/2014	Leslie is considered part of Organization X for the process. Workday calculates all pools as part of Organization X.
• Effective Date of Merit • Merit Compensation Snapshot Date	03/01/2014	Leslie had Merit Plan Q before the Merit Compensation Snapshot Date, but her change to Merit Plan A only happened after the completion of the process. She won't receive a merit award during this process. Leslie remains eligible for the Bonus and Stock Awards because there were no changes to those plans.

Example: Time-Based Proration for Merit and Bonus Awards

Context

A time proration rule includes *Time since Hire*, *Time since last Merit increase*, and *Leave of Absence* proration criteria:

- You hire Elena on January 1 at 90,000 USD annual.
- You give her a pay increase of 10,000 USD annual on February 1 resulting in 100,000 USD annual.
- She takes 1 month of personal leave in March.
- The focal merit review begins on April 1.
- Her nonprorated target merit increase is 5% annual.

Result

Workday takes the most recent proration criteria, which is the compensation increase. The resulting eligible merit increase period is February 1 to April 1, or 2 months out of 12. The next proration criteria is the personal leave, which subtracts a month from the eligible period. Elena is eligible for 1 month of the merit increase (1/12) of the 100% merit increase target of 5,000 USD. Her target merit increase is 42% or 416.67 USD = the original merit increase target of 5% (or 5000) divided by 12.

The logic is slightly different if the leave of absence occurs before the compensation increase. If Elena:

- Took her leave in February.
- Received a pay increase that took effect on March 1.

Workday takes the most recent proration criteria, which is the compensation increase. The resulting eligible merit increase period is March 1 to April 1, or 1 month out of 12. The next proration criteria is the personal leave. However, because the leave occurred before the compensation increase, Elena still has 1 eligible month. She's eligible for 1/12 of the 100% merit increase target of 5,000 USD. Her target merit increase equals the original merit increase target of 5% (or 5,000 USD) divided by 12. The result is 0.42% (rounded) so her target merit increase for this period is 416.67 USD. The resulting increase is exactly the same but the logic is necessarily different.

Related Information
Tasks
Create Time Proration Rules for Compensation Reviews on page 1072

Example: Include Active Employees Assigned Plan During Process Period

Context

Workday can use only 1 merit plan for each employee to calculate their merit award during a compensation review. Workday uses the most recently assigned plan, depending on plan configuration. If **Include Active Employees Assigned Plan During Process Period** is selected on the plan, employees assigned to the plan on the **Process Period End Date** (PPED) remain eligible for an award even if they're no longer assigned to the plan on the **Compensation Snapshot Date** (CSD).

Note: Workday can't determine a merit award based on a plan unless the plan is included in the process.

Example:

- Terry is assigned to merit plan A on the PPED.
- The Annual compensation review process includes merit plans A and B.
- Merit plan A has **Include Active Employees Assigned Plan During Process Period** selected. Merit plan B doesn't.
- You reassign Terry to merit plan B after the PPED and before the CSD.
- Workday determines Terry's merit award using merit plan B. Because merit plan A has **Include Active Employees Assigned Plan During Process Period** selected, Terry is still eligible to receive an award during the Annual compensation review, provided merit plan A is in the review process.

More examples:

Include Active Employees Assigned Plan During Process Period	Plans included in Process	Merit Plan in Effect as of PPED	Merit Plan in Effect as of MCSD	Workday Determines Award Based on Merit Plan...
Selected on Merit Plan A	A	A	B	A, because the option is selected and plan B isn't included in the process.

Include Active Employees Assigned Plan During Process Period	Plans included in Process	Merit Plan in Effect as of PPED	Merit Plan in Effect as of MCSD	Workday Determines Award Based on Merit Plan...
Not Selected on Merit Plan A	A, B	A	B	B. The option isn't selected on plan A and plan B is the most recently assigned plan.
Selected on Merit Plan A	B	B	A	B. Even though the option is selected on plan A, it's not included in the process.
Not Selected on Merit Plan A	A, B	B	A	A. The option isn't selected for plan A, but it's the most recently assigned plan.

Related Information
Reference

FAQ: Compensation Reviews

How is an employee included in a compensation review process?

What target takes precedence when an employee matches multiple targets?

How do I keep my budget in sync with the compensation matrix?

How does Workday include performance reviews in compensation review processes?

How do I change a completed and funded compensation review process?

Can I set up compensation review processes on organization types other than supervisory?

How do I deal with different pay periods?

Can I use process setup parameters on a recurring basis?

Can I select not to compound additional adjustment and promotion awards?

Is proration calculated to the month or to the day?

What date does Workday use as the merit year in order to calculate proration?

Can I set the proration period dates?

Can I change an employee's compensation plan target during a compensation review?

When does a salary increase take effect after the compensation review process?

What happens if there's a compensation change to an employee's salary after the process finishes but before the Effective Date of the salary change?

What date does Workday use to determine the current salary amount to use as the basis for the merit percent calculation?

Do changes to a compensation basis update plans other than salary and hourly?

How do I pay a referral bonus?

How is an employee included in a compensation review process?

When initiating a compensation review process, you configure:

- A **Process Period End Date**.
- A merit, bonus, or stock **Compensation Snapshot Date**.
- An **Organization Snapshot Date**.

Workday uses eligibility rules in effect as of the **Process Period End Date** to:

- Determine which employees to include in the process.
- Ensures that valid compensation data exists as of the applicable **Compensation Snapshot Date**.
- Processes the **Organization Snapshot Date** to determine included organizations.

You can include terminated employees in a compensation review process that includes bonus awards. Select the **Include Employees Terminated During Process Period** check box when initiating the process. Workday includes terminated employees subject to rules configured on the bonus plan and on the **Maintain Compensation Review Participation Rule Sets** report.

You can also select **Include Active Employees in Waiting Period** on the merit or bonus plan. When employees are assigned both the plan and in the waiting period on the **Process Period End Date**, Workday includes them with a target of zero.

What target takes precedence when an employee matches multiple targets?

Workday uses this order of precedence to derive merit and bonus targets for each employee:

1. Guaranteed minimum target (for individual employee).
2. Employee individual target.
3. Compensation matrix target.
4. Plan profile target.
5. Plan default.

How do I keep my budget in sync with the compensation matrix?

The merit pool displays the increase amount, based on the compensation matrix. If you know what your budget is, you can adjust the merit pool to match it.

How does Workday include performance reviews in compensation review processes?

Workday uses the most recently entered performance rating, either from an in-progress or a completed performance review, when:

- A compensation matrix is associated with the merit plan and isn't for reference only.
- The performance review template has a period end date relative to the frequency of the plan before the **Process Period End Date**. For merit, this is 1 calendar year before the **Process Period End Date**, regardless of the **Process Period Start Date**.

- The performance review rating is either complete or was entered after you initiated the compensation review and before the **Process Period End Date**.

If Workday can't find a performance review rating, it reads the default target on the plan. Workday doesn't retroactively revise the award if the performance review is updated after the **Process Period End Date**.

Workday calculates the overall rating for the specified review templates. Workday then matches this result to the performance level on the compensation matrix to determine the recommended merit increase. If the matrix definition includes pay range segments, Workday determines which segment the employee's salary falls into, based on assigned grade.

How do I change a completed and funded compensation review process?

If you've already distributed the merit pool to organizations, you can select **Business Process** > **Cancel** as a related action off the event. Alternatively, you could ask all the managers to award more or less than their designated pool amount. If incorrect pool amounts are likely to be an issue, add a step to the business process to review the merit pool before sending it to the managers.

For a completed process, select **Business Process** > **Rescind** as a related action off the event.

If incorrect employee changes are possible, consider adding a step at the organization or location hierarchy level before completion.

Can I set up compensation review processes on organization types other than supervisory?

Yes. You can select these organization types from the **Configure Participation** button on the *Initiate Compensation Review Process* business process:

- Cost Center
- Custom Organization
- Location Hierarchy
- Supervisory

Workday displays the organization types you select when you initiate the process.

How do I deal with different pay periods?

Workday considers different pay periods during calculations, and converts all salaries into the reference frequency specified during the compensation review process.

Can I use process setup parameters on a recurring basis?

Yes. Configure named sets of process options on the **Create Compensation Review Options** and **Create Compensation Review Process Template** tasks.

Can I select not to compound additional adjustment and promotion awards?	Yes. Select the **Additional Adjustment and Promotion Awards as Percent of Current Primary Compensation Basis** check box when you initiate the process. If selected, Workday adds awards to the Primary Compensation Basis (PCB) instead of compounding the award. Example: Brendt's PCB is 100,000. He receives a 10% merit increase, a 2% additional adjustment, and another 2% for his promotion. With the check box selected, Workday: • Sums all of Brendt's awards: (0.10 + 0.02 + 0.02 = 0.14). • Calculates his new PCB: 100,000 + (100,000 * 0.14) = 114,000. If left blank, Workday calculates Brendt's new salary in these cumulative steps: • 100,000 + (100,000 * 0.10) = 110,000. • 110,000 + (110,000 * 0.02) = 112,200. • 112,200 + (112,200 * 0.02) = 114,444.
Is proration calculated to the month or to the day?	To the day. Workday calculates employee days as: `proration rule / days in the review period`.
What date does Workday use as the merit year in order to calculate proration?	To calculate the proration, Workday uses **Process Period End Date** specified when you initiate the process and goes back exactly 1 year.
Can I set the proration period dates?	Yes. You can select the **Process Period Start Date** for each merit or bonus plan on the **Initiate Compensation Review Process** task. Workday displays the **Days in Period** for reference. The default is the difference between the **Process Period End Date** and the plan frequency. You can select a date up to 15 months before the **Process Period End Date**. The process period start and end dates determine how Workday divides proration segments and employee eligibility. Setting a **Process Period Start Date** also affects merit and bonus plan eligibility for plans with either of these options enabled: • **Include Employees Terminated During Process Period** • **Include Active Employees Assigned Plan During Process Period**
Can I change an employee's compensation plan target during a compensation review?	Yes, by including 1 of these editable fields on the grid configuration: • Allowance Target Amount - Proposed. • Allowance Target Percent - Proposed. • Bonus Target Amount - Proposed.

- Bonus Target Percent - Proposed.
- Commission Draw Amount - Proposed.
- Commission Target Amount - Proposed.
- Stock Target Amount - Proposed.
- Stock Target Percent - Proposed.

Workday determines plan eligibility and the value of the default target as of the merit effective date. Planners can edit the future target if:

- The plan allows individual overrides.
- The employee is in the process with a related merit plan not managed by basis total.
- The employee is still eligible for the plan as of the merit effective date.
- The employee isn't being promoted into a position that removes the related plan, such as from Bonus Plan A to Bonus Plan B, or the PCB.

Planned targets for promoted employees don't transfer to the *Change Job* process from the **Review Promotions in Merit** task.

When does a salary increase take effect after the compensation review process?

Workday uses the **Effective Date** specified when you initiate the compensation review process as the date the new salary takes effect.

Example: The Compensation Administrator initiates the compensation review process on February 15 and specifies April 1 as the **Effective Date**. The process completes on March 10. The employee salaries in Workday reflect the change on April 1.

What happens if there's a compensation change to an employee's salary after the process finishes but before the Effective Date of the salary change?

On the Effective Date, Workday replaces the old salary with the new salary from the merit increase.

Example: The Compensation Administrator initiates the compensation review process on February 15 and specifies April 1 as the **Effective Date**. An employee has a salary of 50,000, and the manager approves a 10% raise to 55,000 as part of this process. The process is complete on March 10, and the salary remains 50,000, awaiting the April 1 effective date for the raise to take effect. On March 15, the HR Partner requests an immediate base salary change for the employee, from 50,000 to 60,000, effective March 15. Workday warns that this increase will be superseded. On April 1, the employee's merit increase replaces her current salary. Her merit increase was 55,000. On April 1, her salary is set at 55,000, instead of the previous 60,000 paid between March 15 and March 31.

Note: Use the **Out of Order Compensation Changes** report to verify employees with a compensation change effective earlier than the existing compensation change. You can give an

employee a raise that an earlier compensation change with a later effective date voids.

What date does Workday use to determine the current salary amount to use as the basis for the merit percent calculation?

Workday determines what the employee's salary will be on the applicable **Compensation Snapshot Date** and uses that salary throughout the process. Workday doesn't recalculate the result of the percentage increase on the date the salary change takes effect. The formula for determining the new salary is: old salary + (old salary * merit increase %) = new salary.

Example: The Compensation Administrator initiates the compensation review process on February 15 and specifies April 1 as the **Effective Date** and March 31 as the **Merit Compensation Snapshot Date**. On February 15, Workday determines the employee's salary will be 50,000 on March 31. When the manager gets the compensation review event for the employee, she sees a salary of 50,000 and gives a 10% increase. The new salary is 55,000. The increase is approved, the process completes March 10, and the salary remains 50,000. On April 1, the employee's merit increase replaces her current salary. Since her merit increase was 5,000 (10% * 50,000), her salary starting on April 1 is 55,000.

Do changes to a compensation basis update plans other than salary and hourly?

If the merit plan has the **Manage Basis Total** option selected, yes. If not, changes to the compensation basis during a compensation review update only salary and hourly plans.

Example: An employee is assigned:

- Merit plan A. **Manage Basis Total** isn't selected.
- Allowance plan B. The PCB is Total Base Pay.
- A base pay plan that is a salary plan.

Workday applies the merit increase percent only to the salary plan, increasing it by the percentage specified.

To ensure that updates to a compensation basis affect plans other than salary or hourly, configure **Manage Basis Total** on both:

- The merit plan.
- A custom compensation basis that includes both the base pay plan and any other plans you want to include in the calculation.

How do I pay a referral bonus?

A referral bonus is a one-time payment rather than part of a bonus plan. To pay a referral bonus:

1. Establish a one-time payment plan for the referral bonus.
2. Use the **Request One-Time Payment** task.

Related Information
Reference

FAQ: Employee Visibility Date

What is the Employee Visibility Date?

The **Employee Visibility Date** gives compensation administrators the option to select a future date. After that date, employees signed in as Employee as Self can view their updated pay-related compensation data. Managers can then inform their workers of pay changes outside of Workday before the visibility date.

Note:

Selecting an **Employee Visibility Date** hides only updated *pay-related* changes, not staffing changes such as transfers, promotions, or changes to benefits.

If you don't include the *Propose Compensation Change* step on the *Change Job* or *Edit Position* business processes, Workday doesn't apply the **Employee Visibility Date**. See:

How do I enable the option to set an Employee Visibility Date?

- Select the **Enable Employee Visibility Date** check box in the Compensation section on the **Edit Tenant Setup - HCM** task.
- Add the *Employee As Self* security group to the **View Completed Only As of Date** on the business process security policy for the Compensation Change for Compensation Plan Event.

To ensure workers can't see updated compensation data before the visibility date, don't include them in the *Employee as Self* security group on the:

- *Propose Compensation* step of business processes.
- *Propose Compensation Change* business process.
- **Staffing** and **Job** profile groups from the worker profile.
- **View All** or **View Completed Only** sections of the *Request Compensation Change* and *Request One-Time Payment* processes.

Does enabling the Employee Visibility Date on the tenant hide any data?

No. Selecting the **Enable Employee Visibility Date** option on the tenant makes the **Employee Visibility Date** visible on compensation change and compensation review processes. The compensation administrator must still select a visibility date when initiating the process, which only then hides pay-

related data. If the visibility date isn't selected (left blank), pay-related data becomes visible after the **Effective Date** of the process.

If selected, how does the Employee Visibility Date differ from the Effective Date?

Example: The compensation administrator initiates a compensation review process with an effective date of August 31:

If the Employee Visibility Date is...	Updated pay-related data becomes visible...
September 5	After the **Employee Visibility Date**, September 5.
Left blank	After the **Effective Date**, August 31.

What about the effective dates for additional awards in compensation reviews?

If the effective date for merit differs from the effective dates of any additional awards, workers can't see the award details until after both:

- The **Employee Visibility Date** of the process.
- The respective effective date of the individual awards.

Related Information
Reference
FAQ: Compensation Defaulting on page 953

FAQ: Merit, Bonus, and Stock Pool Calculations

How is a merit pool calculated?

How is a bonus pool calculated?

How does a bonus pool calculation differ from a merit pool calculation?

Can I see the detailed bonus calculation?

How does a change in FTE % affect the bonus calculation?

What causes a bonus scorecard profile change and what is the effect?

How does individual or company performance affect an employee's bonus target?

How is a stock pool calculated?

Does plan type affect how Workday calculates pool and spend for target change?

How does Workday handle remainder amounts?

Note: These calculations don't take proration or rounding into consideration.

How is a merit pool calculated?

Workday calculates a merit pool using the compensation basis and merit targets of employees in the same organization and merit plan:

```
Compensation Basis of Employees in
Org. & Plan * Merit Plan Targets of
Employees in Plan = Merit Pool
```

For employees managed by a compensation basis total, the compensation basis is the Primary Compensation Basis. Otherwise, the compensation basis is the total base pay, excluding amount-based compensation plans.

If there's a weighted compensation matrix on the merit plan, the merit pool calculation is:

```
Compensation Basis of Employees in
Org. & Plan * Merit Plan Targets
of Employees in Plan * Weighted
Compensation Matrix = Merit Pool
```

Workday evaluates these factors in order when calculating merit targets:

1. Individual target override: You can configure the merit plan with an option to allow individual target overrides. You can then edit merit plan assignments and override merit targets during a compensation or staffing transaction.

   The individual target, if configured, overrides factors **2**, **3**, and **4** in the merit pool and the employee target calculations.

2. Nonweighted compensation matrix: Usually includes performance or potential rating, compa-ratio, retention rating, pay range segments, or eligibility rules.

   If the employee meets criteria specified in the compensation matrix, Workday doesn't consider factors **3** and **4**.

3. Merit plan profile targets: You can configure the merit plan with profile targets based on eligibility rules, such as country or location. During processing, Workday uses eligibility rules to determine the target award for an employee and to calculate the merit pool.

   If the employee meets criteria specified in a merit plan profile target, Workday doesn't consider factor **4**.

4. Default plan target. You can configure merit plans with a default target. Workday uses the default target to calculate the merit pool and award when it can't find an individual target override, compensation matrix, or merit plan profile.

   If Workday can't calculate the merit pool and employee target from evaluating factors **1** through **3**, it uses the default plan target.

How is a bonus pool calculated?

If the bonus plan doesn't have a weighted compensation matrix or modifier scorecards, and isn't associated with an eligible earnings override, the bonus pool calculation is:

```
Employee Eligible Earnings Amount /
Period Specified by Plan Frequency *
Employee Bonus Target = Bonus Pool &
Employee Bonus Target
```

If the bonus plan doesn't have modifier scorecards and isn't associated with an eligible earnings override, but does have a weighted compensation matrix, the bonus pool calculation is:

```
Employee Eligible Earnings Amount /
Period Specified by Plan Frequency
* Employee Bonus Target * Weighted
Compensation Matrix = Bonus Pool &
Employee Bonus Target
```

If there are company or modifier scorecards on the bonus plan, the employee bonus target and bonus pool calculations are:

```
Employee Eligible Earnings Amount /
Plan Frequency * Employee Bonus Target
* Scorecard or Modifier = Bonus Pool &
Employee Bonus Target
```

With a weighted compensation matrix, company or modifier scorecards, the bonus pool calculation is:

```
Employee Eligible Earnings Amount /
Plan Frequency * Employee Bonus Target
* Weighted Compensation Matrix *
Scorecard or Modifier = Bonus Pool &
Employee Bonus Target
```

How does a bonus pool calculation differ from a merit pool calculation?

Like the merit target, the bonus target results from individual target overrides, compensation matrix, bonus plan profile targets, or the bonus plan default target. However, the bonus target uses eligible earnings during the period specified by the plan frequency. It can also include company or modifier scorecards that reflect corporate or division performance.

Can I see the detailed bonus calculation?

Yes, provided the process uses a grid configuration that includes the **Rounded Total Target Amount** and **Actual Bonus Amount** advanced fields. You can drill down on these fields to reveal exactly how Workday calculated the bonus.

You can also run the **View Bonus Calculation** report to display how Workday calculated:

- Total Bonus Target Amount
- Bonus Actual Amount
- Discretionary Target Amount
- Nondiscretionary Target Amount
- Sum of Proration Segments

You can provide unconstrained or role-based access to the **View Bonus Calculation** task

through the *Process: Compensation Review Bonus Details* domain.

How does a change in FTE % affect the bonus calculation?

If you create a proration rule based on *FTE Changes in Period* and add it to a bonus plan, Workday evaluates FTE % changes between the **Process Period Start Date** and the **Process Period End Date**. If the FTE % changes during the process period, Workday divides the process period into proration segments when calculating bonuses.

Example: For the 2015 bonus period, Terry's FTE % changed from 100% to 50%. Workday created 2 proration segments at 100% and 50%, respectively.

Workday then calculates each proration segment separately:

```
FTE % * Proration % * Target %
```

Workday then sums all proration segments before calculating eligible earnings.

If you enable **Paid FTE** in the Staffing section on the **Maintain Localization Settings** task, Workday uses the paid FTE override in the calculations for these compensation review targets:

- Allowance
- Bonus
- Merit
- Stock

When you drill down on a bonus target during a compensation review, Workday displays the calculation, including the **FTE %** and **Proration %**.

What causes a change to the bonus scorecard profile and what is the effect?

These business processes can cause a change to the bonus scorecard profile:

- *Change Job*
- *Change Organization Assignment*
- *Move Workers (by Organization)*
- *Move Workers (Supervisory)*

Workday prorates on custom organizations for organization changes that occur outside of a compensation review process. However, compensation review coordination of events only processes organization changes for organizations included in the compensation review process.

If the *Scorecard Profile Changes in Period* proration rule is associated with the worker's bonus plan:

- Workday evaluates the bonus scorecard changes between the initiation of the bonus period and the **Process Period End Date**.
- Creates proration segments when calculating bonuses.

How does individual or company performance affect an employee's bonus target?

A performance rating (part of a compensation matrix) or a compensation scorecard can both be factored into the bonus target calculation:

```
Employee Bonus Target * Individual or
Corporate Performance = Employee Bonus
Target
```

How is a stock pool calculated?

Stock pool calculations derive primarily from the compensation matrix and stock target (shares, amount, or percent). Percent-based stock plans must reference a compensation basis. Example:

```
Target * Total Base Pay * Weighted
Compensation Matrix = Stock Pool
```

You can configure the stock plan to split the stock award into different types of grants. Example: 50% stock options and 50% Restricted Stock Units.

If you apply the stock participation rate when you initiate the compensation review process, then:

```
Target * Total Base Pay * Weighted
Compensation Matrix * Stock
Participation Rate = Stock Pool
```

The stock participation rate doesn't affect employee stock targets. However, you can change stock targets using calculated fields.

Does plan type affect how Workday calculates pool and spend for target changes?

Yes. Workday calculates pool and spend differently for amount-based and percent-based plans. For amount-based plans:

```
New Plan Target Amount - Old Plan
Target Amount
```

For percent-based plans:

```
New Target % * New Basis or Salary -
Old Target % * Old Basis or Salary
```

A percent-based plan might result in spend for target pools even if the target is unchanged. Example: A 10% allowance plan for an employee whose salary changes from 100,000 USD to 200,000 USD results in a spend of 10,000 USD.

How does Workday handle remainder amounts?

Workday stores pool contributions at the individual employee level and calculates pools once at process initiation to determine pools at the organization level. Workday stores remainder amounts at the organization level. Example: An organization has a 10,000 USD pool divided among 3 employees with each receiving 3,333.33 USD. Workday stores the remaining 0.01 USD at the organization level.

Related Information
Reference
The Next Level: Compensation Plans and Pools

FAQ: Rounding and Precision in Compensation Review Calculations

How does Workday round bonus amounts?

Workday:

1. Calculates and stores all amounts with precision up to 12 decimal places.
2. Applies the rounding rule, if configured on the bonus plan, to both the total bonus and the nondiscretionary targets and amounts.
3. Applies currency precision rounding up to 6 decimal places.

Workday doesn't update amounts due to changes in scorecard results or compensation plans while the compensation review is in progress, except:

- When you run the **Recalculate Pool and Awards** task.
- During processing of participation rule sets that use the **Update Employee to Latest Data** option.
- During the *Manage Bonus Funding* step of the *Initiate Compensation Review Process*, Workday updates amounts based on the company funding scorecard.
- When you access the **Compensation Review Recalculate Bonus Targets** task. Workday updates nondiscretionary award amounts, but not discretionary amounts.
- When you remove and add back employees using the **Maintain Compensation Review Process Employee Participation** report.

To display how Workday calculated a bonus, access the **View Bonus Calculation** report.

Why don't amounts displayed in Workday match calculations made outside of Workday?

Workday calculates and stores numbers internally at a precision of up to 12 decimal places. Spreadsheet applications limit the number of decimal places in a single cell.

Workday displays values in the user interface and on reports at a lower precision, usually 4 or 2 decimal places. Doing so saves space and improves performance. When displaying values in the user interface and on reports, Workday truncates the decimal values without changing the persisted amount and doesn't perform rounding. Example: Workday stores 92.123498765432 but displays 92.1234 without changing the stored value.

When creating pools for compensation reviews, Workday uses individual employee targets if configured, or calculates an individual percentage

share of the total pool at a precision up to 6 decimal places. Workday then stores each employee's pool contribution at a precision of up to 12 decimal places.

Example:

- An employee has a current base pay of 29,237.90.
- You enter a merit amount increase of 1,023.40 (2 decimal places).
- Workday calculates the percentage increase and stores the value at a precision up to 12 decimal places: (1,023.40 / 29,237.90) * 100 = 3.500251386043.
- Workday truncates the value to 4 decimal places for display on the user interface and on reports to 3.5002.

Verifying the calculation with less precision results in a difference of 0.02 (rounded to currency precision):

- Using value displayed: (3.5002 / 100) * 29,237.90 = 1,023.38.
- Using value persisted: (3.500251386043 / 100) * 29,237.90 = 1,023.40.

Related Information
Tasks
Create Compensation Rounding Rules on page 1075

FAQ: How is Total Eligible Earnings calculated?

To determine the **Total Eligible Earnings** when you configure pools for a compensation review process, Workday:

1. Identifies the plans selected when you initiated the process.
2. Identifies which compensation basis to use to calculate the target award amount: the Primary Compensation Basis (PCB) or *Total Base Pay*. Workday determines:
   a. If the merit plans that have the **Manage by Basis** check box selected.
   b. The rankings of each compensation basis as configured on the **Maintain Compensation Basis** task.
   c. The highest ranking PCB for an employee, based on the eligibility rules associated with the compensation basis.

      Example: Brian qualifies for both CompBasis2 and CompBasis3 based on the associated eligibility rules. Because CompBasis2 is ranked higher than CompBasis3 on the **Maintain Compensation Basis** task, the primary compensation basis for Brian is CompBasis2.
   d. If the compensation package for the employee includes the PCB.

   If Workday can't determine a PCB for the employee, it uses *Total Base Pay*.
3. Calculates the individual target award amounts that contribute to **Total Eligible Earnings**.

   For percent-based plans, these factors can affect the calculation:

Plan	Apply FTE	Matrix	Proration	Scorecard
Salary	Yes	No	No	No

Plan	Apply FTE	Matrix	Proration	Scorecard
Hourly	No	No	No	No
Allowance	Yes	No	No	No
Merit	No	Yes	Yes	No
Bonus	No	Yes	Yes	Yes
One-Time Payment	No	No	No	No
Commission	No	No	No	No
Stock	No	Yes	No	No

4. Adds the individual target award amounts to define the total compensation for the compensation review process.

Troubleshooting: Compensation Review Participation Rule Sets

Parallel Events Blocked During a Compensation Review

You've set up participation rule sets and compensation review options, but Workday still blocks parallel events you expected to proceed.

Cause	Solution
There are multiple award types in the process with varying compensation snapshot and effective dates. During compensation reviews, Workday blocks parallel events that occur after the earliest snapshot date and before the latest effective date. The more time between these dates, the more likely that Workday blocks an event.	Use the same snapshot and effective dates for all award types, if possible. Alternatively, reduce the time between the earliest snapshot and the latest effective date.
There are 1 or more employees that don't meet the conditions of the eligibility rules on the participation rule set.	Make sure the eligibility rules used for participation rule sets apply to the targeted employees. Update the participation rule sets, or if necessary, modify or add the eligibility rules.
You don't have participation rule sets configured on the **Create Compensation Review Options** task.	Select applicable participation rule sets in the **Participation Rules** section.
Your configuration on the **Create Compensation Review Options** task doesn't include the specific date range for the effective date of the event.	Select 1 or more date ranges in the **Participation Rules** section. Workday allows events to proceed for the date ranges you select and blocks those you don't.
There's a promotion associated with the merit award. While you can promote an employee as part of a compensation review, Workday blocks parallel events for that employee.	Complete parallel processes for the employee before initiating the compensation review process. Alternatively, don't associate promotions with merit.

Related Information
Concepts
Concept: Coordination of Events During Compensation Reviews on page 1089
Setup Considerations: Compensation Eligibility Rules on page 898

Tasks

Examples

Reference: Compensation Review Participation Rule Set Options

Workday provides these participation options on the **Maintain Compensation Review Participation Rule Sets** report.

This topic uses these acronyms for date parameters configured on the *Initiate Compensation Review Process* task:

- CSD: Compensation Snapshot Date.
- ED: Effective Date.
- OSD: Organization Snapshot Date.

Employee Options

Employee Option	Valid Process Types & Date Ranges	Description
Remove Employee from... - **Merit** - **Bonus** - **Stock**	**Parallel Process**: - On or Before CSD. - Between CSD and ED. **Termination**: Before ED of award type.	Upon completion of the parallel event, Workday removes these employee awards from the compensation review process.
Update Employee to Latest Data	**Parallel Process**: On or Before CSD.	Upon completion of the parallel event, Workday updates the employee data, such as prorated targets, as of the CSD.
Keep Employee Data Fixed	**Parallel Process**: On or Before CSD.	Workday doesn't change employee award data, including compensation basis, targets, title, or other attributes. However, you can clear the **Remove Pool Contributions** check box under **Pools Options**.
Keep Employee in... - **Merit** - **Bonus** - **Stock**	**Parallel Process**: - Between CSD and ED. - After ED. **Termination**: Before ED of award type.	Workday keeps employees in the compensation review process. You can select 1 of these merit award options for parallel processes. However, you can't select bonus or stock award options for parallel processes or terminations. - *Apply Merit Increase Percent*: Workday applies the percentage that you enter to the current base pay of the parallel event. - *Apply Merit Increase Amount*: Workday applies the amount that you enter to the current base pay of the parallel event.

Employee Option	Valid Process Types & Date Ranges	Description
		• *Keep New Pay Amount Fixed*: Workday applies the new pay amount that you enter to the parallel event.
		Note: Workday applies the *Apply Merit Increase Percent* and *Apply Merit Increase Amount* options to compensation events effective between the CSD and ED, regardless of when the events successfully complete.
		However, Workday doesn't display base pay changes while the compensation review is in progress. Workday applies these changes only after process completion.
		Example: Sidney has a 100,000 USD compensation basis as of the CSD and you enter 10% in the compensation review grid. Sidney gets a pay increase to 200,000 in a parallel event after the CSD and before the ED. Sydney's proposed base pay differs based on the option that you select:
		• *Apply Merit Increase Percent*: Proposed base pay is 220,000 USD. • *Apply Merit Increase Amount*: Proposed base pay is 210,000 USD. • *Keep New Pay Amount Fixed*: Proposed base pay is 110,000 USD.
Move Employee to New Organization	**Organization Assignment**: Before OSD.	Moves the employee to their new organization.
Keep Employee in Current Organization	**Organization Assignment**: Before OSD.	Keeps the employee in the old organization for purposes of the compensation review.

Pools Options

Merit pools include additional adjustment, promotion, lump sum, and any associated plan target pools. Workday stores pool contributions at the individual employee level and calculates pools once at process initiation to determine pools at the organization level.

Pools Option	Valid Process Types	Description
Remove Pool Contributions	Parallel Process, Termination.	Upon completion of the parallel event, Workday removes employee pool contributions from their organizations.
Keep Pool Fixed	Parallel Process, Termination.	Upon completion of the parallel event, Workday keeps employee pool contributions static or adjusts the organization pool.
Update Pool Contributions	Parallel Process.	Applicable only to bonus awards with eligible earnings override. Upon completion of the parallel event, Workday updates the employee contribution to the pool with the eligible earnings override basis.

Pools Option	Valid Process Types	Description
		You can select this option on the **Create Compensation Review Options** task.
Update Pool per Latest Data	Parallel Process, Termination.	Upon completion of the parallel event, Workday updates the pool with the new target.
Merit, Bonus, or Stock	Organization Assignment	For the award type selected, Workday moves the employee's contribution from the old organization pool to the new organization pool. If not selected, Workday keeps the pool in the old organization during the compensation review process.

Award Options

Award Option	Description
Clear Award	Workday sets proposals or awards to zero, overriding any prior proposals or awards.
Keep Award Fixed	Workday updates the employee compensation data as of the CSD, but keeps the award fixed.
Update Award to...	• *Previously Entered Percent*: Workday updates the award to the previous percent. You can select this option on the **Create Compensation Review Options** task. • *Previously Entered Factor*: Workday updates the award to the previous factor for bonus plans with an individual performance factor. • *New Employee Target*: Workday updates the employee target, the spend, and the pool.

Related Information
Tasks

Manage Compensation Review Participation Rule Sets on page 1076
Create Compensation Review Options on page 1083

Reference: Custom Modifiers and and Employee Option Participation Rules

Workday coordinates events for custom modifiers differently depending on the **Employee Option** configured on the participation rule set:

For this Employee Option...	Workday...	Description
Remove Employee from Bonus	Inactivates the custom modifier.	The employee can be added back to the process and make use of the custom modifier.
Keep Employee in Bonus	Keeps the custom modifier applied to the proration segment.	This option doesn't create new proration segments. Retaining the custom modifier won't create errors.
Update Employee to Latest Data	Clears the custom modifier.	This option might create new proration segments. Retaining

For this Employee Option...	Workday...	Description
		the custom modifier might lead to errors.
Keep Employee Data Fixed	Keeps the custom modifier applied to the proration segment.	This option doesn't create new proration segments. Retaining the custom modifier won't create errors.

Related Information
Tasks

Reference: Terminations During Compensation Review Processes

These termination events can occur while a compensation review process is in progress:

- *Terminate Employee*
- *End Additional Job*
- *End International Assignment*

Effects vary depending upon when the effective date, or pay through date, of the termination event occurs relative to these date parameters of the compensation review:

- Process Period End Date (PPED)
- Compensation Snapshot Date (CSD)
- Effective Date (ED)

These tables describe the effects for compensation review processes:

Merit and Stock Awards

Termination Effective Date Occurs...	Termination Event Status - Complete	Termination Event Status - In Progress
Before PPED	Workday: • Doesn't include the employee in the compensation review. • Doesn't apply the termination participation rule sets.	Workday: • Includes the employee in the compensation review. • Applies the participation rule set when the termination event completes. • Hides the Target % advanced field. • Autofills target to zero.
On or after PPED and before ED	Workday: • Doesn't include the employee in the compensation review. • Doesn't apply the termination participation rule set.	Workday: • Includes the employee in the compensation review. • Applies the participation rule set when the termination event completes. • Hides the Target % advanced field.

On or after CSD and before ED	Workday: • Includes the employee in the compensation review. • Doesn't apply the termination participation rule set. • Sets the employee target amount as of CSD. • Autofills target to zero.	Workday: • Includes the employee in the compensation review. • Applies the participation rule set when the termination event completes. • Sets the employee target amount as of CSD.
On or after ED	Workday: • Includes the employee in the compensation review. • Doesn't apply the termination participation rule set.	Workday: • Includes the employee in the compensation review. • Doesn't apply the participation rule set.

Bonus Awards

Effective Date of Termination	Prior to Process Initiation		While Process In Progress
	Include Terminated Employees Selected	**Include Terminated Employees** Not Selected	
On or before PPED	Workday: • Includes employee. • Applies participation rule set after Manage Impacted Employees.	Workday: • Doesn't include employee. • Doesn't apply participation rule set.	Workday: • Includes employee. • Applies the participation rule set when the termination event completes.
After PPED and before ED	Workday: • Includes employee. • Applies participation rule set after Manage Impacted Employees.	Workday: • Includes employee. • Doesn't apply participation rule set.	Workday: • Includes employee. • Applies the participation rule set when the termination event completes.
On or after ED	Workday: • Includes employee. • Doesn't apply participation rule set.		

Manage Compensation Reviews

Initiate Compensation Review Processes

Prerequisites

• Prepare for compensation reviews.
• Configure the *Initiate Compensation Review Process* in the Advanced Compensation functional area.

Context

You can configure the options and plans for your compensation review process. You can also include merit, allowance, one-time payment, adjustments, promotions, bonus, and stock plans.

Steps

1. Access the **Initiate Compensation Review Process** task.
2. (Optional) Select a **Compensation Review Process Template**.
3. Configure process date fields:

Option	Description
Effective Date	The effective date also determines eligibility for proposed target changes, such as the **Bonus Target Amount - Proposed** editable field.
Employee Visibility Date	If configured, Workday hides the employee's pay-related compensation data until after the specified date.
Process Period End Date	Configure a date to determine: • Employee eligibility for inclusion in the process. • Proration calculations. • Performance ratings. Example: If an employee is eligible for a plan on June 1, but the **Process Period End Date** is May 31, Workday doesn't include the employee in the process. Workday can include employees in eligibility waiting periods as of this date, based on plan setup. However, they display as exceptions with targets of zero.
Organization Snapshot Date	Select the date Workday uses to determine: • The organizations in the compensation review process and the hierarchical structure. • The organization level that stores the pools. When you initiate the process, Workday determines this once and takes into account only completed organization events. Thereafter, Workday manages in-progress organization events (moves or transfers that occur between organizations in this set) according to participation rules. Workday doesn't determine security role assignments for a compensation review process based on this date. Workday determines security when you launch the *Complete Employee Awards* step in the business process. Workday removes organizations inactivated after this date from the hierarchy and won't assign them to a planner.
Compensation Snapshot Date	Select a date for Workday to determine eligible employees in pool and award calculations. The greater the difference between the **Effective Date** and the **Compensation Snapshot Date**, the greater potential for other compensation-related events to create a conflict.

4. Select either a **Grid Configuration** or a **Grid Profile Configuration**.

   See: Steps: Configure Compensation Review Grid Profiles on page 1082.

   If your grid configuration includes merit and promotions, you can select individual promotions for further review while the compensation review process is in progress.

5. In the **Process Details** section, consider:

Option	Description
Currency Rate Type	Select the currency rate type to use as the exchange rate as of 12:00 AM on the **Process Period End Date** to calculate pools and awards. If the date is in the future, select a rate type where the exchange rate won't change before the date. Doing so ensures that Workday uses a consistent exchange rate for pool and award calculations.
Reference Currency	Select the currency for the award pools and all totals. The compensation values for employees whose pay is in another currency still display in that other currency.

6. As you complete the plan-specific sections, consider:

Option	Description
Merit Plans	Enter the **Statutory Minimum%** to give employees assigned to a plan and the associated plan profiles. This only applies to merit plans that have the **Subject to Statutory Minimum** check box selected and are effective as of the **Process Period End Date**.
Bonus Plans	You can select **Include Employees Terminated During Process Period**. If you configured **Coverage Date Eligibility** on 1 or more bonus plans, you can change the coverage start and end dates. Coverage dates enable Workday Payroll or Payroll Integration to associate dates with the bonus for US Fair Labor Standards Act (FLSA) reporting requirements.
Scorecard Results	Enter the results if you included a bonus plan associated with a scorecard. If you leave this blank, Workday assumes 100% attainment. If you used a compensation process template that has **Autopopulate Latest Scorecard Results** selected, Workday populates the most recently effective scorecard result for each bonus plan.
Stock Plans	Select a **Stock Participation Rate Table** or create a new one. If selected, you can't select **Autofill**.
Allow Award Autofill	Select to enable the **Autofill** button when proposing awards.

Option	Description
Process Period Start Date	For each merit or bonus plan, this date sets the beginning of the proration period and determines the divisor of the proration calculation. Workday sets the default as the difference between the **Process Period End Date** and the plan frequency. You can select a date up to 15 months before the **Process Period End Date**.
Exceptions by Rule	The effective date of the merit award must be on or before the additional adjustment and promotion award dates.

Result

Workday:

- Creates a *Compensation Review Process* event.
- Sends a My Tasks item to the person in the role assigned to the *Manage Impacted Employees* step of the business process.
- Applies awards in this order: merit increases, additional adjustments, and promotions. Workday uses the latest effective date configured for each subsequent award.

Next Steps

Manage employees with multiple compensation-related events.

Related Information
Tasks
Create Grid Configurations for Compensation on page 1080
Review Promotions in Compensation Reviews on page 1127
Create Stock Participation Rate Tables on page 1026
Steps: Prepare for Compensation Reviews on page 1064
Steps: Set Up the Compensation Review Business Process on page 1067
Reference
FAQ: Compensation Reviews on page 1095
Reference: Edit Tenant Setup - HCM
FAQ: Employee Visibility Date on page 1101
Examples
Example: Include Active Employees Assigned Plan During Process Period on page 1094

Steps: Add or Remove Employees to or from Compensation Reviews

Prerequisites

One or more compensation reviews process must be in progress.

Context

You can add or remove individual employees to or from in-progress compensation review processes on the **Maintain Compensation Review Process Employee Participation** report. If employees belong to organizations not already in the process, Workday adds the organizations automatically with a background

job that runs once every hour. You can also use the **Compensation Review Update New Organization Data** task to add the organizations immediately.

You can remove or add back employee groups on the **Mass Operation Management** task.

Steps

1. Access the **Maintain Compensation Review Process Employee Participation** report.
2. As you complete this task, consider:

Option	Description
Employees Removed from Process	Add an employee back.
Newly Eligible to Process	Add an employee that became eligible after process initiation.
Employees in Waiting Period	Add an employee who is eligible but was in a waiting period when you initiated the process.
	If you selected **Include Active Employees in Waiting Period** on the merit or bonus plan, Workday includes employees in a waiting period but sets their target to zero.
	If you add employees that have completed their waiting period, Workday calculates their target.
Remove Employee from Process	Remove an employee.
Terminated Employees in Process	Remove a terminated employee.
New Employee Pool Contribution	Select to display pool details for merit, additional adjustment, promotion, and lump sum awards.
Remove Pool Amount	Remove pool contributions from the process, regardless of reserves or holdbacks.
Add Pool Amount	Update employee pool contributions for added employees.
Organization	If adding an employee to a compensation review, select the **Organization** where the employee and the related award belongs.
	The organization must exist before you initiate the compensation review process and have an effective date on or before the **Organization Snapshot Date** configured on the process.
	If you select an organization that's not included in the process, Workday adds it after the **Compensation Review Update New Organization Data** task or background job completes.
Notification	Send an email to the person identified in the **Awaiting Person** field.

Security: *Process: Compensation Management Plan Employee Management* domain in the Advanced Compensation functional area.

3. (Optional) Access the **Compensation Review Update New Organization Data** task.

   This is a background job that runs on a regular schedule. Select an in-progress compensation review. Workday automatically:

   - Detects organizations that aren't in the process but now have employees added through the:

     - **Maintain Compensation Review Process Employee Participation** report.
     - *Change Job*, *Move Workers*, *Request Compensation Change*, or *Change Organization Assignment* business processes.
   - Workday automatically adds new organizations provided they're both subordinate to the top level organization and existed before you initiated the process.
   - Sends a My Tasks item to the appropriate managers or planners.

   Example: If a participation rule set moves Ferryn from Quality Assurance to Engineering, Workday keeps her in Quality Assurance until this task or the background job runs. Workday then adds the organization to the compensation review and moves Ferryn to Engineering.

   Security: *Process: Compensation Management Plan Employee Management* domain in the Advanced Compensation functional area.

4. (Optional) Access the **Mass Operation Management** task.

   Select the *Compensation Review Maintain Employee Participation* operation type.

   Select whether to **Remove** or **Add Back** previously removed employees. Depending on your selection, you can optionally **Remove All Pools** or **Add Previous Pool Amount**.

   Security: Create a segment-based security group and add it to the Compensation Review Maintain Employee Participation segment.

Related Information
Tasks

Remove Compensation Plans from Multiple Employees on page 943
Roll Out Compensation Plans to Employees on page 942
Manage Compensation Review Participation Rule Sets on page 1076
Create Eligibility Rules for Compensation on page 902
Set Up Mass Operations
Change Dates and Reasons on In-Progress Compensation Reviews on page 1120

Steps: Manage Multiple Events During Compensation Reviews

Prerequisites

Configure the *Initiate Compensation Review Process* business process to meet your needs.

Context

During a compensation review process, employees can have in-progress compensation events. After you initiate the process, you can assign participation rule sets to determine how Workday reacts to these events.

Steps

1. Access the **My Tasks** item for the compensation review process.
2. In the **Manage In Progress Processes** section, click the **Manage Employee Processes** button.

   Workday lists employees eligible for the process that have in-progress compensation events.
3. Select participation rule sets for **Termination** and **Parallel Events**.

   For **Parallel Events**, select a rule set for each award type. Workday reacts to completed transactions after you launch the process.

4. Access the **Compensation Review Awards On Hold Audit** report and the **Manage Compensation Review On Hold Events** task.

You can release on-hold leave of absence events, cancel on-hold awards, or cancel events.

When you release a leave of absence (LOA) event, the effective date configured for the award type determines when awards take effect. Workday doesn't release awards automatically when the employee returns from leave. You can only release on hold events if the employee doesn't have any other in-progress parallel events.

Example: Cory returns from an LOA. You manually release the on-hold event on the **Manage Compensation Review On Hold Events** task. The effective date on Cory's merit award determines when the award takes effect.

Result

Workday allows parallel transactions based on the eligibility rules and date ranges specified by the participation rule sets. If no parallel rule sets apply, Workday blocks compensation and staffing transactions with effective dates that fall before the **Effective Date** until the process completes.

Related Information
Tasks
Reference

Change Dates and Reasons on In-Progress Compensation Reviews

Prerequisites

Initiate a compensation review.

Security:

- *Custom/Standard Report Copy* domain in the Tenant Non-Configurable functional area.
- *Mass Operation Management* in the System functional area.
- *Worker Data: Compensation Management by Organization* in the Advanced Compensation functional area.

Context

You can use the **Mass Operation Management** task to change these compensation review parameters while the process is in-progress:

- Effective dates.
- Employee visibility dates.
- Reasons.

These procedures overwrite any data changed using the *Compensation Review Override Dates and Reasons* operation type on the **Mass Operation Management** task:

- Participation rules based on any *Use Latest Employee Data* participation options.
- Removing and adding back employees to the process using the:

  - **Maintain Compensation Review Process Employee Participation** report.
  - *Compensation Review Maintain Employee Participation* operation type on the **Mass Operation Management** task.

Note: Therefore, Workday strongly recommends that you:

- Complete your compensation planning process before running the mass operation.
- Run the mass operation immediately before finalizing your process.

Steps

1. Access the **Copy Standard Report to Custom Report** task.

   Copy the **Compensation Review Configure Dates and Reasons** Workday-delivered standard report.

   This report lists the employees eligible for changes to compensation review effective dates, visibility dates, and reasons.

2. Access the **Mass Operation Management** task.

   Workday recommends that you examine these date settings of the in-progress compensation review before running the mass operation: effective dates, employee visibility dates (if enabled on the tenant), compensation snapshot dates, and organization snapshot dates.

Option	Description
Mass Operation Type	*Compensation Review Override Dates and Reasons*.
Input Report	Select the custom report that you created in the previous step.

   The validation rules for the **Effective Date** set on the **Initiate Compensation Review Process** apply when running the *Compensation Review Override Dates and Reasons* operation. The **Effective Date** must be:

   • On or after the **Process Period End Date**.
   • After the **Organization Snapshot Date**.

   Security: Create a segment-based security group and add it to the Compensation Review Maintain Employee Participation segment.

3. Run the *Compensation Review Override Dates and Reasons* mass operation.

Next Steps

To see the affected employees and their updated data, create a custom report or copy the **Compensation Review Configure Dates and Reasons** report.

Related Information
Tasks
Initiate Compensation Review Processes on page 1114
Create Compensation Review Options on page 1083
Manage Compensation Review Participation Rule Sets on page 1076
Set Up Mass Operations

Steps: Recalculate Bonus Targets, Pool, and Awards During Compensation Reviews

Prerequisites

Context
You can recalculate bonus targets and bonus pool and awards during an in-progress compensation review.

• Bonus targets: Before the *Configure Pools* step of the process to ensure that updated targets also updates the bonus pool.
• Bonus pool and awards: After you update scorecard data and before the controller submits.

Steps

1. (Optional) Access the **Compensation Review Recalculate Bonus Targets** task.

This task updates bonus targets on the bonus plans included in the compensation review process and totals for each employee whenever:

- Eligibility rules change a profile target.
- Profile or plan target changes.
- Scorecard results change.
- Rounding rule changes.
- Matrix values change.

See

To update both bonus targets and pools, access this task before the *Configure Pools* step of the compensation review process. You can still update targets with this task after *Configure Pools* but doing so only updates targets, not pools.

Workday updates nondiscretionary amounts based on updated targets. Workday doesn't change discretionary amounts entered during the compensation review.

Security: *Process: Compensation Management Plan Employee Management* domain in the Advanced Compensation functional area.

2. (Optional) Access the **Recalculate Pool and Awards** task.

This task recalculates the bonus pool and awards for in-progress compensation reviews after you update scorecard data using the:

- **Edit Compensation Scorecard** task, or
- *Put Compensation Scorecard* Enterprise Interface Builder (EIB) web service.

Access this task after the compensation review starts and before the controller submits. As you complete this task, consider:

Update Pool and Keep Bonus Amount Fixed	Automatically selected when some approvals are complete but others aren't.
	Keeps bonus award amounts fixed and updates the bonus pool.
Update Pool and Keep Bonus Factor % Fixed	Only available if all approvals are complete.
	Workday applies the **Bonus Factor %** proposed against the new target with the latest scorecard results to the **Award** amounts and updates the bonus pool.

Security: *Process: Compensation Management Plan Employee Management* domain in the Core Compensation functional area.

Related Information
Tasks
Steps: Pay for Company Performance on page 1004
Reference
FAQ: Merit, Bonus, and Stock Pool Calculations on page 1102
The Next Level: Bonus Calculation Consistency

Manage Compensation Review Pools

Prerequisites

Initiate a compensation review process.

Context

Workday automatically calculates pool amounts from the bottom up. Workday uses the plan definitions selected when you initiate the process and the employees identified in the *Manage Impacted Employees* step to calculate the individual employee target amounts for each award type. Workday adds the individual employee target amounts to determine the estimated cost and the initial pool amounts.

When you're using statutory minimums, Workday calculates an employee's individual target amount as the higher percentage of the plan target and the statutory minimum. Example: If a plan target is 3.0% and the statutory minimum is 2.0%, the employee individual target amount is 3.0%.

You can change the initial pool amounts and adjust the pool amounts for individual merit, bonus, and stock plans by selecting the **Top-Down** option.

Before configuring pools, consider whether you need to recalculate bonus pools with these tasks:

- **Compensation Review Recalculate Bonus Targets**.
- **Recalculate Pool and Awards**.

See:

Steps

1. Access the My Tasks item for the compensation review process.
2. As you complete the **Pool Controls** section, consider:

Option	Description
Allow Pool Holdbacks	Select to enable the distribution of less than 100 percent of the pool amounts to the organizations.
Allow Pool Overage	Select to enable managers to give awards greater than the assigned pool amount when proposing awards. This displays as selected and read-only if you hid any award type in the **Pool and Spend** section on the **Create Compensation Review Options** task.
Display Remaining Pools	Select to enable managers to see remaining pool amounts when proposing employee awards.
Override Statutory Minimum	Displays only if there's a merit plan in the process with the **Subject to Statutory Minimum** check box selected.

3. As you complete the pool sections, consider:

Option	Description
Top-Down	Select this option if you want to set the pool amounts at the top level of the organization.
Apply Merit Target to Current Target Amounts	Select to configure a pool based on the merit target of each employee or any configured amount.
Deduct From Merit Pool	Select to deduct the spend from the merit pool rather than creating a separate pool. The associated target pool doesn't display to planners, but calculated spend displays in the merit pool.

Option	Description
Bottom-Up	Select to have Workday calculate the pool amount and estimated cost based on the employees assigned to the selected merit plans.
Pool Amount	If you selected **Top-Down Calculation**, specify the portion of the **Total Eligible Earnings** to make available for distribution to employees. Workday automatically sums all the individual target amounts for the employees assigned to the merit plans included in the process. This updates the **Percent of Eligible Earning**.
Percent of Eligible Earning	If you selected **Top-Down Calculation**, specify the percent of the **Total Eligible Earnings** to make available for distribution to employees. This affects the **Pool Amount** field.
Total Eligible Earnings	Displays the sum of all employee total compensation amounts using either: • Total base pay. • The total primary compensation bases associated with the plan and assigned to the selected merit plans.
Estimated Cost	Displays the sum of all the individual target amounts for the employees assigned to the merit plans in the process.
Prefill Employee Awards	Select to have Workday populate employee awards on the compensation review process and display the **Propose All** button. The **Prefill Employee Stock Awards** check box doesn't display if you selected a **Stock Participation Rate Table** on the **Initiate Compensation Review Process** task. Depending on how you configured Autofill and Pre-Fill options on the **Create Compensation Review Options** task, Workday populates award values for: • *Compensation Matrix*: To the midpoint of the matrix. • *Target*: With the funded, prorated target associated with the plans.

4. As you complete additional adjustments, allowance plans, lump sums, and promotions, consider:

Option	Description
Deduct From Merit Pool	Select to deduct awards made to employees during the process from the merit pool rather than from a separate pool. If you don't select this check box, Workday creates a separate pool for the award.
Distribute to Organizations	If you're creating a separate pool, selecting this check box enables you to distribute the pool to supervisory organizations.
Compensation Basis	Available when the **Deduct From Merit Pool** check box is cleared. Workday determines the list of values from the compensation bases associated with employees from the selected merit plans.
Percent of Compensation Basis	Available when the **Deduct From Merit Pool** check box is cleared. Workday calculates total eligible earnings by: • Identifying employees assigned to the merit plans selected for the process.

Option	Description
	• Summing the total compensation amount for these employees using the selected compensation basis.

5. (Optional) Click **Review Plan Funding** to adjust a specific plan funding amount.

   You can adjust the pool amounts for individual merit, bonus, and stock plans. Doing so affects the total pool amount and Workday automatically selects the **Top-Down** option.

   The Funding % automatically populates 100 percent for merit and stock plans. The funding percent for bonus plans equals the weighted result % of the plan funding scorecard. You can change the percentage to less than or greater than 100.

6. Distribute pool amounts.

   During the *Distribute Pool* step of the compensation review process, Workday estimates organizational-level pools for each award type based on the plans you selected at process initiation.

   Whether holdbacks or remaining pools display depends on:

   • The plans you selected for the process.
   • Your selection on the **Allow Pool Holdbacks** check box.
   • Your role in the organization structure. You can see the holdbacks of subordinate organizations but not those of superior organizations.

   Workday initially sets holdbacks and remaining pools to zero but they can change as you distribute pool amounts to organizations. Workday subtracts the distributed amount from the total pool to calculate holdbacks.

   When you submit, Workday recalculates pool distributions and updates the actual pools, taking into account any changes made during the *Distribute Pool* step. Workday might create organizational pool adjustments, both positive and negative, to persist the top-level pool. Workday also takes into account any employee pools removed during the *Distribute Pool* step.

   You can also access the **Recalculate Pool and Awards** task.

7. Enter the estimated pool amounts or units that you want to distribute to each organization in the **Pool Distribution Summary**.

   When you change an estimated amount for a parent organization, Workday adjusts each child organization proportionally.

   Example: The Sales & Marketing hierarchy has a Sales organization and a Marketing organization, each with a pool of 100 USD for a total pool of 200 USD. If you change the total pool of 200 USD to 150 USD, Workday reduces both the Sales and Marketing pools by 25% to 75 USD. The holdback amount is 50 USD.

   Review the estimated cost of the awards for the company to the actual distributed pool amounts plus holdbacks. You can apply the original contribution, the new contribution, or replace the original contribution for employees manually removed from the process.

   For the merit awards, the values include any additional awards, lump sums, promotions, and one-time payments. **Total Process Award Pools** are pool amounts for additional award types where you didn't select **Deduct From Merit Pool** and **Distribute to Organizations**.

8. (Optional) Click **Compensation Review Process Maintain Pools**.

   As you make adjustments for each **Organization** and award type, Workday:

   • Locks the pools so that no other task that adjusts pools can complete until you click **Review** or **Cancel**.
   • Adds the **Distribution** amount to the appropriate **Holdback** when you reduce or remove it.

   You can use the **Pool Reserve** column to increase the overall pool after you initiate the process without affecting employee targets. Example: Senior management distributes additional stock several days after

the compensation review process starts. You can add a **Pool Reserve** to the top-level organization to distribute the additional stock to employees.

If the **Compensation Review Process Maintain Pools** task is locked and the administrator owning the lock is unavailable to unlock it, use the **Unlock Compensation Review Maintain Pools Sessions** task. When you unlock a pool maintenance session, Workday discards any pending changes.

Example: Keith left for vacation without submitting his changes. Kristen accesses the **Unlock Compensation Review Maintain Pools Sessions** task to unlock Keith's pool maintenance session. Workday discards Keith's changes, but Kristen accesses the pool maintenance task, makes updates, and submits. The compensation review then moves forward.

9. Click **Launch**.

Next Steps

You can Review the **Pool Spend Analysis** charts. The **Total Process Award Pools** section displays pool amounts for additional award types where you didn't select **Deduct From Merit Pool** during the *Configure Merit Pools* step.

Related Information
Tasks
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Reference
FAQ: Merit, Bonus, and Stock Pool Calculations on page 1102
The Next Level: Compensation Plans and Pools

Manage Awards for Compensation Reviews

Prerequisites

Initiate a compensation review process.

Context

You can review, edit, and approve recommendations across their subordinate organizations.

Steps

1. Access the in-progress compensation review process.
2. Select whether to propose awards for all organizations at once or drill down to review specific organizations.
3. (Optional) Modify the **Compensate Employees - Assess Performance and Talent** section.

   If you included editable fields in the **Performance** section of the grid configuration, you can edit these ratings if they were completed in Talent within the last 12 months.

   Note: Changes made to performance-related fields don't update ratings in Talent.
4. As you review award proposals, consider:

Option	Description
Submit All	Available if you manage more than 1 organization and you want to submit all employees at once.
Submit	Submit awards for employees within a specific organization.
Submit Directs	Available only if you selected *Next Participant Only* from the **Approval Limited To** prompt on the **Create Compensation Review Options** task. Submit proposals for organizations of your direct reports.

Option	Description
Complete on Behalf	Manually advance the entire organizational hierarchy to the current planner
Send Back	Click to send back for the organizational hierarchy to a previous planner.

Next Steps

Run these reports to review the date, time, responsible party, and notes for the last submitted change to awards:

- **Compensation Review Merit Award Audit**
- **Compensation Review Talent Audit**
- **Compensation Review Bonus Payment Audit**
- **Compensation Review Stock Plan Award Audit**

Related Information
Tasks
Steps: Add or Remove Employees to or from Compensation Reviews on page 1117
Manage Funding for Bonuses on page 1128
Create Grid Configurations for Compensation on page 1080
Steps: Manage Compensation Review Statements on page 1134
Reference
FAQ: Merit, Bonus, and Stock Pool Calculations on page 1102

Review Promotions in Compensation Reviews

Prerequisites

Security: *Process: Compensation Management Plan Employee Management* domain in the Advanced Compensation functional area.

Context

You can select promotions for further review as part of an in-progress compensation review process.

Steps

1. Access the **Review Promotions in Merit** task.
2. Select an in-progress **Compensation Review Event**.
3. Select 1 or more **Organizations** and optionally select whether to **Include Subordinate Organizations**.
4. (Optional) Select 1 or more **Job Profiles**.
5. Select a display option:

Option	Description
Only Promotions with Requested Reviews	Displays only those promotions previously selected for review.
Only Promotions without Requested Reviews	Displays only those promotions not previously selected for review.
None of the Above	Displays all promotions.

6. Select the promotions for review.

Workday routes selected promotions to the *Change Job* business process only after you submit merit award proposals. Workday stores your selections in case you access this task on multiple occasions.

7. (Optional) In the *Change Job* business process, add an entry condition rule for steps not to execute when the promotion originates from a compensation review process:

Source External Field or Condition Rule	Initiated by Merit Review Process
Relational Operator	Is blank
Comparison Type	Value specified in this filter

8. In the *Change Job* business process, verify that the *Propose Compensation Change* step doesn't automatically complete after initiation when it originates from the compensation review process.

   This is to prevent Workday from applying the promotion increase before the merit increase and additional adjustment. If the same person is both the initiator and reviewer, Workday might apply the promotion increase before the merit increase and additional adjustment. To avoid automatic approval, update the entry condition rule on the *Review Compensation Change* step.

Related Information
Tasks
Steps: Set Up the Compensation Review Business Process on page 1067
Initiate Compensation Review Processes on page 1114

Manage Funding for Bonuses

Prerequisites

- Steps: Prepare for Compensation Reviews on page 1064
- Configure the *Initiate Compensation Review Process* business process to meet your organization's needs.

Context

You can change the bonus funding after you have submitted bonus amounts for individual employees. Example: Originally, bonuses totaled $1 million, but the company only pays $750,000.

Steps

1. Open the My Tasks item for *Manage Bonus Process Funding*.
2. (Optional) Update or add a company funded scorecard results.
3. Enter a percent in the **Revised Funding %** field.

   This is the percentage by which you want to fund the bonus pool.

Result

Workday uses the value entered in the **Revised Funding %** field and divides it by the original funding percent. The result is applied to the individual employee bonus amount to create the employee's new bonus amount.

Next Steps

You can add the *Manage Bonus Process Funding* as the last step in the compensation review business process.

Compensation Statements

Steps: Create Wage Theft Prevention Notices

Context

To meet requirements set for your organization or regulatory jurisdiction, you can provide employees with a statement that specifies their:

- Rates of pay, including overtime and doubletime.
- Basis of wage payment.
- Allowances.
- Regular payday.
- Employer name, address, and telephone number.
- Workers' Compensation Insurance carrier name, address, telephone, and policy number.

Note: Workday enables you to store and report any required data but doesn't assume responsibility for meeting regulatory requirements.

You can generate 1 or more wage theft prevention notices at any time. Alternatively, you can add the *Generate Wage Theft Prevention Notice* as a step to business processes.

Steps

1. Create a wage theft prevention notice document template using either of these:

Add Documents to Workday	Security in the System functional area: • *Document Library* domain • *Document Generation Results* domain • *Print Document Generation* domain
Concept: Workday Docs	Security in the System functional area: • *Drive* domain • *Docs* domain • *Document Library* domain

2. Create a security policy for the *Wage Theft Prevention Notice* business process.

3. Access the **Maintain Event Categories and Reasons** task and create reason codes for the *Wage Theft Prevention Notice* event.

4. (Optional) Configure the insurance carrier for workers.

Access the **Create Workers Compensation Carrier** task and configure insurance carrier data, including the carrier's name, address, telephone, and policy number. Access the **Edit Company Workers' Compensation Carrier** task to associate the insurance carrier with the worker's company.

5. Configure the *Wage Theft Prevention Notice* business process.

- You can optionally configure the *Generate Document* step so that an administrator can receive and edit the generated notice. Click **Configure Generate Document** and associate your document template.
- Configure the *Review Documents* step for employees to review and acknowledge their notice. Click **Configure Document Review** and associate your document template to the step.

6. (Optional) Add the *Wage Theft Prevention Notice* to 1 or more of these business processes:

- *Add Additional Job*
- *Hire*
- *Change Job*
- *Request Compensation Change*

7. (Optional) Access the **Generate Wage Theft Prevention Notice** task to generate notices for 1 or more employees on demand.

Security: Set up security groups for this task on the *Wage Theft Prevention Notice* business process security policy.

Result

For business processes that include the *Wage Theft Prevention Notice* process, Workday generates the notices and sends a My Tasks item to each employee in the target population. The employee must acknowledge receipt of the statement before the notice appears with their Worker Documents. You can cancel, rescind, and reassign Wage Theft Notice events.

Related Information
Concepts
Concept: Workday Docs
Tasks
Edit Business Processes
Edit Business Process Security Policies
Steps: Set Up Workday Docs

Steps: Set Up Total Rewards Statement

Context

Set up the **Total Rewards** statement to display a breakdown of base pay, bonuses, health and other benefits, stock, commissions, and so on.

Steps

1. Access the **Create Total Rewards Section** task.

As you complete this task, consider:

Option	Description
Title Text	Enter a title for the section.
Explanatory Text	Enter explanatory text or instructions for your section.
Quicklink	Enter an external web site URL for the section.
List / Table	Select list or table format.
Group Title	Enter a title for the Group.
Column Header Override	Enter your own labels for the primary and comparison columns.
Item	Select 1 or more Compensation, Benefits, or Payroll items. You can emphasize the item, override the item name, or provide explanatory text. If you select an item in the **Comparison** column set, the statement displays the primary and comparison items together.

Option	Description
	If you select an item from the Payroll categories of **Earning/Deduction** or **Pay Component Groups**, you must also select a **Balance Period**.
	You can also display the item if the value is zero or hide the value.

Security:

- *Reports: Total Rewards Statement (Results - Security based on Pay Component Security)* domain in the Core Payroll functional area.
- *Self Service: Total Rewards* domain in the Core Compensation functional area
- *Self-Service: Total Rewards Dashboard* domain in the Core Compensation functional area.
- *Set Up: Total Rewards* domain in the Core Compensation functional area.

2. Access the **Create Total Rewards Rule** task.

   A total rewards rule specifies criteria that apply to a subset of workers. These workers see their statement filtered through the template that uses the rule.

   Security: *Set Up: Compensation* domain in the Core Compensation functional area.

3. Configure Total Rewards Templates on page 1131.

   Templates enable you to:

   - Display compensation, benefits, and payroll data by country.
   - Display a targeted view that highlights commission-related compensation or executive packages.

Result

The Total Rewards Statement is available to a worker that meets these conditions:

- The worker matches the criteria specified in a total rewards rule.
- A total rewards template uses that rule.

Workers who meet these conditions can view **Compensation** > **View Total Rewards** from the related action menu. Workday displays the total amount that would result from a summation of compensation, benefit or payroll data. Workday displays all amounts in the currency of the base compensation.

Next Steps

You can view the **Total Rewards Dashboard**.

Configure Total Rewards Templates

Prerequisites

Security: *Set Up: Total Rewards* domain in the Core Compensation functional area.

Context

You can create a total rewards template that enables you to:

- Display compensation, benefits, and payroll data by country.
- Display a targeted view that highlights commission-related compensation or executive packages.

The total rewards template consists of:

- A condition rule that controls which workers can view their statement through the template.
- The total rewards sections that display on the statement.

Steps

1. Access the **Create Total Rewards Template** task.

   See:

2. As you complete this task, consider:

Option	Description
Total Rewards Rule	Don't use a rule that: • Another template is already using. • Includes workers associated with another template.
Summary Display Text Override	(Optional) Enter an override for statements made up of only nonannual values. Enter up to 100 characters to override the default annual frequency displayed on the statement. Example: If all items on your Total Rewards Statement display monthly values, enter Monthly.
Disclaimer Text	(Optional) Enter text that displays at the bottom of the statement.
Rounding Rule	(Optional) Select a rule created with the **Create Compensation Rounding Rule** task. Workday rounds decimal values on the Total Rewards Statement according to the rule that you select. However, Workday doesn't round stock values.
Section Group Title	Enter a title for the section group.
Do Not Sum	(Optional) Select if you don't want the value of all the items in this section added to the grand total or displayed in the **Total Rewards** graphic.
Section	Enter a **Section** configured on the **Create Total Rewards Section** task.
Display Employee Cost	(Optional) Select to display any employee-paid portion of the compensation components in this section. Example: The employee pays for some health benefits. If selected, Workday adds a column to the table that displays the employee cost.

Next Steps

Access the **Total Rewards Template Audit** report to display the employees associated with more than the 1 template.

Related Information
Concepts
Tasks
Translate Business Data

Steps: Create Custom Compensation Review Statements

Prerequisites

- Download and install Workday Studio, including Report Designer, from Workday Community.
- Enter *.rptdesign* in the **File Type Set Up Instructions** field on the **Edit Tenant Setup - System** task.
- Assign the Report Writer user group to the user modifying the report.

- Familiarize yourself with the Workday Studio documentation and tutorials for Report Designer.

Context

Workday provides 3 compensation review statement formats. You can create custom statements by defining a business form layout using Workday tasks and Report Designer in Workday Studio.

Steps

1. Download the report design attachments from Workday Community: Compensation Review (Merit) Statement on **Workday Community**.
2. Make a copy of the **Print Compensation Review Statement** report.
   a) Access the **Copy Standard Report to Custom Report** task.
   b) Select the **Print Compensation Review Statement** report from the **Standard Report Name** prompt.
   c) Rename the report.
   d) On the **Share** tab, click the appropriate share option.
   e) Save the report.
   Use the Compensation Review Employee Adjustment for Statements report data source to ensure you can release and generate statements on the **Release Compensation Review Statement** task.
3. Save the report data (XML) and XML schema (XSD) for later use in **Workday Studio**.
   a) As a related action off your custom **Print Compensation Review Statement** report, select **Web Service** > **View URLs**.
   b) Select **Workday XML** > **REST** > **Workday XML**.
   c) When the XML source code displays, save it as an XML file to your local drive.
   d) Select **Workday XML** > **XSD** > **XSD**.
   e) When the XSD source code displays, save it as an XSD file to your local drive.
   Use the **Save Page As** feature in your browser. Don't copy and paste the text from the browser.
4. Use **Workday Studio** to create a new report layout for the report design downloaded from **Workday Community**.
5. Associate your custom **Print Compensation Review Statement** report with the new report layout.
   a) Access the **Create Business Form Layout** task.
   b) In the **Report Design** prompt, select **Create** > **Create Custom Business Form Report Design Attachment**.
   c) Browse for the report design that you downloaded from Workday Community.
   d) Click **Upload**.
   e) In the **Custom Report** field, select your custom **Print Compensation Review Statement** report.

Example

This statement is now available for selection in the **Create Compensation Review Statement Rule** task. You can select it as the default layout or can associate it with 1 or more eligibility rules.

Related Information
Tasks
Create User-Based Security Groups
Reference
Reference: Edit Tenant Setup - System

Steps: Manage Compensation Review Statements

Prerequisites

- Approve employee compensation review awards.
- Create custom compensation review statements.

Context

You can generate compensation review statements and make them visible to administrators and managers before, on, or after the effective date of the compensation review process.

You can include the **Release Compensation Review Statement** in the *Initiate Compensation Review Process* business process or access it as a standalone task.

Note: If you provide your employees with a custom statement report outside of the **Release Compensation Review Statement** task, a high volume of print jobs might affect performance.

Steps

1. (Optional) Access the **Edit Tenant Setup - HCM** task and select the **Disable Create New Compensation Review Statement functionality for Employee on View Compensation Review Statements** check box.

   If selected, this hides the **Create New Statement** button on the **View Compensation Review Statement History** view for Employee as Self.

2. Access the **Release Compensation Review Statement** as a standalone task if it isn't included as a step in the *Initiate Compensation Review Process* business process.

   As you complete this task, consider:

Compensation Review Statement Rule	Select a rule that defines the statement layout. You can create rules on the **Create Compensation Review Statement Rule** task.
Statement Release Date	You can select a date before, on, or after the effective date of the compensation review process. Workday releases statements at 12:00 AM on this date according to the time zone of each employee's location.
Generate Statement PDF	If selected, Workday generates compensation review statement PDF files on the configured start date, time, and time zone for all employees in compensation review process.

   Security: *Process: Compensation Management Plan Employee Management* domain in the Advanced Compensation functional area.

   See also:

3. (Optional) Access the **Set Compensation Review Statement Visibility** task to make statements visible for employees immediately.

   You can only use this task for a given organization and compensation review:

   - After you've run the **Release Compensation Review Statement** task.
   - Before either the **Effective Date** or the **Employee Visibility Date** configured on the compensation review.

Option	Description
Organization	Select an organization with a completed compensation review process.

Option	Description
	You can optionally include subordinate organizations.
Completed Compensation Review Process	Select a completed compensation review process for the organization that you selected. Workday displays only processes completed within the last 18 months and released with the **Release Compensation Review Statement** task.
Statement Visible	Available only after you've generated the statement PDF. If selected for the individual employee, Workday makes the statement visible. Example: You have meetings scheduled with 3 of your employees later today. Select these 3 employees to make their statements visible immediately.

If you don't run the **Set Compensation Review Statement Visibility** task, Workday makes compensation review statements visible to employees on the latest of either the **Employee Visibility Date** or the **Effective Date** configured on the compensation review process.

Security: *Worker Data: Compensation Review Statement Visibility* domain in the Advanced Compensation functional area.

4. Access the **View Compensation Review Statements** report.

This report enables you to:

- Generate compensation review statements for multiple employees.
- Print compensation review statements in batch mode as a single PDF file.
- View compensation review statements for employees after you've released them and generated the PDF.

Security: *Worker Data: Compensation Review Statements* domain in the Advanced Compensation functional area.

5. Run the *Compensation Review Maintain Released Statements* mass operation.

- Create a custom report using the All Compensation Review Process Employee Adjustments report data source.
- Access the **Mass Operation Management** task. As you complete the task, consider:

Option	Description
Mass Operation Type	*Compensation Review Maintain Released Statements.*
Input Report	Select the custom report that you created.

You can:

- Delete all released statements.
- Delete those statements for a target population specified by an eligibility rule.
- Generate new statements.

Security:

- *Mass Operation Management* in the System functional area.
- *Compensation Review Maintain Employee Participation* in the Advanced Compensation functional area.

Related Information
Tasks
Reference
2023R1 What's New Post: Compensation Review Statement Generation and Delivery

FAQ: Compensation Review Statements

When can I access the Set Compensation Review Statement Visibility task?	• After you release the statement on the **Release Compensation Review Statement** task. • Before either the **Effective Date** or the **Employee Visibility Date** configured on the compensation review.
What happens when I don't use the Set Compensation Review Statement Visibility task?	Workday makes compensation review statements visible to employees on the latest of either the **Employee Visibility Date** or the **Effective Date** configured on the compensation review process.
Why do some reports show US Pacific Time when I selected my local time zone for PDF generation?	Workday generates compensation review statement PDF files as of the start date, time, and time zone you configure on the **Release Compensation Review Statement** task. However, Workday stores your selection in U.S. Pacific Time and displays U.S. Pacific Time on some reports. Example: September 10 2:00 PM Japan Standard Time is 10:00 PM U.S. Pacific Time. From your Tokyo office, you select **Generate Statement PDF** and configure:

Prompt	Selection	Workday Stored Value
Start Date	09/10/2023	09/9/2023
Time	2:00 PM	10:00 PM
Time Zone	GMT +9:00 Japan Standard Time (Tokyo)	GMT -8:00 Pacific Time (Los Angeles)

Can I include *Release Compensation Review Statement* as a step in the compensation review process?	Yes, you can add **Release Compensation Review Statement** as a step in the *Initiate Compensation Review Process* business process.
How can I delete statements that have been released and are no longer needed?	Access the **Mass Operation Management** task and run the *Compensation Review Maintain Released Statements* mass operation type.

Severance Plans

Steps: Manage Employee Severance

Prerequisites

Set up compensation elements and eligibility rules.

Context

You can manage how you compensate terminating employees:

- Create a severance matrix and worksheets.
- Assign a severance package to an employee.
- Integrate with Workday Payroll to pay out the severance package either as a lump sum or continual payments upon termination.

  Note: For third-party payroll users, use the **Maintain External Payroll Input for Worker** task for ongoing severance.

When using Workday Payroll for France to calculate and report statutory termination payments, you must manage employee severance payments directly through pay components or pay input.

Steps

1. Access the **Maintain Event Categories and Reasons** task and configure the *Post Termination Compensation* and *Severance Assignment* events.

   Security: *Set Up: Staffing* in the Staffing functional area:

2. Set up these business processes to meet your needs:

Business Process	Configuration Details
Severance Worksheet	Make sure that the *Deliver Severance Worksheet* step is the completion step.
Request Post Termination Compensation	Use this process if you don't plan on using severance.
Termination	Workday recommends that you configure the *Review* or *Approval* steps as the completion step. Doing so ensures the fields shared with severance worksheets aren't changed between the *Review* or *Approval* steps and the termination completion step.

   Security in the Core Compensation functional area:

   - *Set Up: Severance Packages*
   - *Severance Worksheet*
   - *Worker Data: Severance Worksheets*

3. Access the **Maintain WARN Period** task to configure WARN periods for different locations.

   Workday automatically populates the correct WARN period on the severance worksheet based on worker locations.

   Security: *Set Up: Severance Packages* domain in the Core Compensation functional area.

4. Create Severance Matrix on page 1138.

Workday uses a severance matrix to calculate severance amounts, severance payment dates, and notification dates based on length of service and eligibility rules.

5. Create Severance Packages on page 1140.

Specify the components that are part of the severance event, such as early retirement, plant closing, or reduction in workforce.

6. Create Severance Worksheets for Workers on page 1142.

Create a worksheet that calculates and adjusts the estimated cost for terminating an employee.

7. Present the severance policy to the employee outside of Workday.

8. Complete Severance Package Assignments on page 1144.

Record dates when you informed the employee of their severance and when they signed or declined.

You can use the **Edit Severance Worksheet Dates** task to update the signed, declined, or revocation cutoff dates after termination is complete without changing other worksheet data.

Related Information
Tasks
Manage External Payroll Input for Worker
Reference
The Next Level: Severance in Workday

Create Severance Matrix

Prerequisites

Security: *Set Up: Severance Packages* domain in the Core Compensation functional area.

Context

Create a severance matrix to determine:

- The compensation basis Workday uses to calculate the severance.
- The duration of severance payments both before and after the termination date.

Steps

1. Access the **Create Severance Matrix** task.

2. Select an **Effective Date.**

You can add a severance matrix to a severance package after the effective date.

3. Select 1 **Basis** option and 1 **Duration** option to determine the severance matrix type:

Option	Description
Compensation Basis Range	Create the severance matrix based on a compensation basis range.
Service Length Basis Range	Create the severance matrix based on a service year compensation basis.
Specific Duration Entries	Create the severance matrix based on a specific duration amount. You can qualify who receives an amount according to length of service and eligibility rules.
Length of Service Multiplier	Create the severance matrix based on a duration amount as a multiplier of length of service.

4. Configure options applicable to the severance matrix type:

Option	Description
Duration Unit	Enter the units for the minimum and maximum ranges for each matrix band (row).
Length of Service Unit	Available if you based the severance matrix type on **Service Length Basis Range**. The options available depend on the units used to define the minimum and maximum length of service.
Calculate Compensation Basis As Of Date	Available if you based the severance matrix type on **Compensation Basis Range**. Select the relative date from which Workday calculates the compensation basis and determines eligibility for the matrix band.
Compensation Rounding Rule	Available if you based the severance matrix type on **Length of Service Multiplier**. Workday rounds the calculated severance or notice duration according to the selected rounding rule created on the **Create Compensation Rounding Rule** task.
Multiplier Order	Available if you based the severance matrix type on **Length of Service Multiplier**. Select when Workday performs rounding, before or after multiplication.

5. As you complete the severance matrix eligibility bands (rows), consider:

Option	Description
Minimum / Maximum Compensation Basis Range	Available if the severance matrix type is **Compensation Basis Range**. Enter the minimum and maximum values of the compensation basis range. You can enter up to 2 decimal places. Workday uses this range to determine eligibility for this matrix band.
Minimum / Maximum Length of Service	Available if you based the severance matrix type on **Service Length Basis Range**. Enter the minimum and maximum values of the length of service in **Duration Units**. You can enter up to 2 decimal places if the length of service is under 1 year. The minimum value of the next range must be equal to the maximum value of the previous range. Example: • Range 1: From 1.00 through 10.00. • Range 2: From 10.00 through 20.00. Workday uses this range to determine eligibility for this matrix band.
Eligibility Rules	Limits the severance matrix to a specific group of employees.

Option	Description
Duration	Available if you based the severance matrix type on **Specific Duration Entries**.
	When combined with **Duration Units**, defines how long an employee is entitled to receive severance or notice.
	If you enter zero, eligible employees don't receive severance pay.
Length of Service Multiplier	Available if you based the severance matrix type on **Length of Service Multiplier**.
	Specifies how long an employee is entitled to receive severance or notice when multiplied by the **Minimum Years of Service** and **Duration Units**.
	If you enter zero, eligible employees don't receive severance pay.
Minimum Duration	Enter the minimum duration the worker eligible for this band is guaranteed to receive.
	Used to validate any adjustments made on the **Severance Package Assignment**.
	If you leave the field blank or enter zero, Workday doesn't enforce restrictions if any dates change on the **Severance Package Assignment**.
Maximum Duration	Enter the maximum duration the worker eligible for this band is guaranteed to receive, regardless of the length of service multiplier.
	Used to validate any adjustments made on the **Severance Package Assignment**.
	If you leave the field blank or enter zero, Workday calculates zero severance duration for the worker.

Next Steps

You can access the **Severance Matrix Report** to compare severance matrices to each other.

Related Information
Tasks
Create Compensation Rounding Rules on page 1075

Create Severance Packages

Prerequisites

- If your company policy includes U.S. WARN payments, specify the number of days of advance notice a worker must receive before termination.
- Configure the *Severance Assignment* event in the **Maintain Event Categories and Reasons** task.
- Create severance matrix.
- Security: *Set Up: Severance Packages* domain in the Core Compensation functional area.

Context

A severance package defines the types of severance pay components that an employee receives upon termination.

Steps

1. Access the **Create Severance Package** task.
2. Consider:

Option	Description
Reason for Severance	Determines which severance packages and reasons you can assign to the severance worksheet for an employee.
Severance Matrix	Determines start and end dates that entitle an employee to receive severance payments.
Notice Matrix	Determines how far in advance an employee is to receive notice of termination.
Service Start/End Date	Select the dates you want Workday to use when determining the length of service.
Override Compensation Basis for Ongoing Severance Calculation	Select a compensation basis to override the calculation of salary plans for **Post Termination Payments** *Ongoing Severance Pay*. Workday evaluates which compensation basis to use in this order: a. The selected override compensation basis. b. The highest compensation basis the employee is eligible for. c. The total base pay compensation basis.
Termination Payouts	Configure 1 or more **Severance Payouts** that define single payment lump sums paid with the final paycheck. Select the **One-Time Payment Plan** Payroll and Payroll Interface use to pay out the severance amount.
Estimated Time Off Payout	Select 1 or more **Time Off Payout** and **Time Off Plans** combinations you want to: • Pay out at termination. • Display in the severance worksheet cost estimations.
Service Instructions	Configure 1 or more service instructions that apply to the employee. For each instruction, select an option and enter instructions.

Next Steps
Assign the severance package to an employee.
Related Information
Tasks
Create Severance Worksheets for Workers on page 1142

Create Severance Worksheets for Workers

Prerequisites

- Steps: Manage Employee Severance on page 1137
- Security in the Core Compensation functional area:

  - *Set Up: Severance Packages*
  - *Severance Worksheet*
  - *Worker Data: Severance Worksheet*

Context

You can create severance worksheets to calculate severance duration and amounts.

You can create and assign a severance worksheet to:

- A rehired employee each time they're rehired.

  Example: Don is a seasonal employee you rehire each year for several weeks to help with accounting and tax preparation. You assign a severance worksheet to Don each time you rehire him.
- An employee that you plan to terminate, is currently being terminated, or is already terminated.

If you create a severance worksheet on a date for a pay period where the worker doesn't have a payroll result, retro will be unprocessed.

You can also use the *Create Severance Worksheet* web service.

Steps

1. Access the **Create Severance Worksheet** task.
2. Select a **Target Termination Date**.
3. Select a **Reason for Severance**.

   Workday calculates the **Notify By** date by subtracting the **Duration** from the **Target Termination Date**.

   Example: A **Target Termination Date** of December 31 minus a 14-day **Duration** equals a **Notify By Date** of December 17.
4. In the **Termination Dates** section, consider:

Option	Description
Last Day At Work	Must be on or before the **Target Termination Date**.
Target Termination Date	Last day the employee's status is active, which must equal the end date of the last continuation payment plan. Changes in duration or start dates on continuation payment plans change this date.
Pay Through Date	Last day of compensation for an employee. Workday calculates this using the severance matrix associated with the package.
	Note: The **Pay Through Date** on the severance worksheet might differ from the **Pay Through Date** in the termination event.
	Workday uses the **Pay Through Date** from the severance worksheet to determine severance payment durations in the *Severance Worksheet* business process.

Option	Description
	However, if any of these conditions are true, Workday uses the **Pay Through Date** from termination events: • Worker doesn't have a completed severance worksheet. • None of the worksheets associated with the worker have **Send to Payroll** enabled. • *Termination* is complete after the delivery of the worksheet, and you entered a **Pay Through Date** in the *Termination* process that differs from the one in the worksheet.

5. For each **Severance Calculation** listed, consider:

Option	Description
Duration	Automatically populates from the matrix assigned to the package.
Start Date	This date affects the dates of subsequent payout amounts. You can edit the **Start Date** of the **Payment Type** listed first but it must match the **Target Termination Date**. You can't edit the start dates of subsequent payment types. Workday sets these to the day following the **End Date** of the previous payment type.

Result

Workday sends a notification to the role assigned to the *Review Severance Worksheet* action in the *Severance Worksheet* business process. After assignment approval, Workday sends a notification to the role assigned to the *Deliver Severance Worksheet* action in the business process.

Next Steps

To view in-progress or completed events, use the **Severance Process Status** report.

Related Information

Concepts

Concept: Retro Leave of Absence

Tasks

Steps: Set Up Proration

Reference

Setup Considerations: Payroll Proration

Troubleshooting: Proration

FAQ: Unprocessed Retro Changes

Examples

Example: Set Up Pay Run Category for Active and Terminated Workers

Example: Set Up Pay Run Category for Active and Terminated Workers (FRA)

Example: Set Up Pay Run Category for Active and Terminated Workers (UK)

Complete Severance Package Assignments

Prerequisites

Assign severance packages to employees.

Context

To complete the severance package, you must record the:

- Date that you presented the severance package to the employee.
- Date by which the employee must accept or decline the severance package.
- The actual date the employee accepts or declines the severance package.

If you want this step to complete only if specific information is entered, add validations to the *Deliver Severance Worksheet* step of the *Severance Worksheet* business process.

Steps

1. Access the **My Tasks** item for **Severance Worksheet**.
2. In the **Severance Actions** section, consider:

Option	Description
Send to Payroll	If selected, Workday uses the **Severance Worksheet** to: • Populate data in the *Termination* process, unless a termination process is already in place for the employee. • Create compensation events for the employee's severance. You can only select **Send to Payroll** on 1 severance worksheet per employment. If left blank, Workday won't associate the severance worksheet with the *Termination* process or generate compensation events.
Severance Response Due	The deadline for the employee to sign and accept the severance package.
Worksheet Delivered	The date the employee received the documents detailing their severance package.
Notified Employee	The date you notified the employee of their severance package.
Worksheet Signed	The date the employee signed their severance package.
Worksheet Declined	The date the employee declined their severance package.
Revocation Cutoff	The deadline for the employee to change their mind after signing their severance package. Displays when you enter a **Worksheet Signed** or **Worksheet Declined** date.

3. (Optional) Access the **Edit Severance Worksheet Dates** task.

You can update the **Signed Date**, **Declined Date**, or **Revocation Cutoff** dates after termination is complete without changing other worksheet data.

Request Compensation Change After Termination

Prerequisites

- Define the steps for *Request Post Termination Compensation* business process.
- Define reasons for the *Post Termination Assignment* event using the **Maintain Event Categories and Reasons** task.

Context

You can request a salary or hourly plan assignment for an employee 1 day after the employee's termination date up to the employee's **Pay Through Date**. The termination date and the pay through date is defined from either the process or the employee's severance package.

Workday uses the **Pay Through Date** from a severance worksheet to pay severance and to determine payment durations in the *Request Post Termination Compensation* business process.

Note: Workday recommends that you use either the *Request Post Termination Compensation* business process or severance, but not both simultaneously.

Steps

1. Access the **Request Post Termination Compensation** task.

2. As you complete this task, consider:

Option	Description
Effective Date	Enter the effective date for this request. The date must be 1 day after the termination date and 1 day before the pay through date.
Employee	Only terminated employees that match the requirements of the effective date are available for selection.

3. Complete the proposed compensation.

If there was already a salary or hourly plan in the post-termination section of a severance package, Workday displays it as deleted. However, you can restore them.

Workday doesn't calculate retroactive payments.

Related Information
Tasks